

Algeria	6,600 Dr.	Iraq	15,830	Norway	7,700 Nkr.
Austria	20 S.	Italy	1500 Lire	Oman	3,700 OMR
Bahrain	0.60 Dinar	Jordan	450 Rls	Pakistan	1000 Rs.
Belgium	45 S.	Kuwait	1000 Dinar	Peru	4,500 Int.
Canada	C\$ 1.20	Kyrgyz	500 Tenge	Rwanda	700 Rwf.
Cyprus	CX 0.70	Liberia	25.00	Saudi Arabia	6,000 R.
Denmark	8.00 DKK	Liberia	0.35	Spain	110 Pes.
Egypt	100 P.	Liberia	45 L.	Sri Lanka	7,000 Sri.
Fiji	7.00 F.	Liberia	105 F.	Tunisia	2,000 Din.
Germany	2.90 D.M.	Mali	35 CFA	Turkey	1,000 TL
Great Britain	50 P.	Morocco	5,500 D.	U.S.A.	4,500 Dlr.
Greece	80 D.	Netherlands	275 R.	U.S. Mkt. (Ex-J.)	300 E.
Iraq	115 Nak	Nigeria	170 K.	Yugoslavia	200 D.

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PARIS, SATURDAY-SUNDAY, MAY 25-26, 1985

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U.S. Combat Role May Become Latin Option, Shultz Says

By Bernard Gwertzman
New York Times Service

WASHINGTON — Secretary of State George P. Shultz has warned that if Congress fails to aid the anti-government rebels in Nicaragua, the United States will eventually have to make "an agonizing choice" whether to involve U.S. troops in combat in Central America.

Mr. Shultz has been warning since February that failure to aid the rebels would increase the risk of direct U.S. involvement, but neither he nor any other senior administration official had spoken directly of combat troops before Thursday.

Mr. Shultz said that some critics of the Reagan administration's policy had said "they would favor the military option if all else fails and a real threat comes."

"But by refusing to help the freedom fighters even with humanitarian aid," he said, "they are hastening the day when the threat will grow and when we will be faced

with an agonizing choice about the use of American combat troops."

The administration routinely refers to the insurgents seeking the overthrow of the Nicaraguan government as freedom fighters.

Mr. Shultz made his remarks in a speech to the American Bar Association's standing committee on law and national security. He said that the use of combat troops was "not our policy" and that he was certain it was not desired by critics.

"We want a negotiated settlement," he said. But he added that "negotiations, especially with Communists, cannot succeed unless backed by strength."

Some of Mr. Shultz's criticism of members of Congress, who he said see themselves as "self-appointed emissaries" to the Nicaraguan ruling Sandinists, touched off a bitter counterattack from Democrats.

The issue of American combat involvement in Central America has been a touchy one for the administration. President Ronald Reagan said at first that combat troops would never be sent to Central America; more recently he has said there were no plans to send combat troops, but that he could not preclude it under all circumstances.

Administration officials have also warned Nicaragua in the past that if it acquired high-performance fighter planes such as MiG-21s, the United States reserved the right to use force to destroy the planes.

Congress, which rejected economic and humanitarian aid to the rebels last month, is to consider similar legislation next week. Mr. Shultz appeared to be determined, as Mr. Reagan was earlier in the week, to apply as much pressure as he could on Congress to support the \$14 million in aid sought for this fiscal year.

At one point in his speech, Mr. Shultz accused congressional critics of undermining the administration's policy.

Mr. Shultz apparently was alluding to the highly publicized letter to President Daniel Ortega Saavedra of Nicaragua signed by 10 House Democrats in March 1984. In that letter, the congressmen, led by the majority leader, Representative Jim Wright of Texas, praised actions taken by the Sandinists and (Continued on Page 3, Col. 4)



Seoul Students Maintain Sit-In at U.S. Office

Students peered Friday through the window of the U.S. Information Service Center in Seoul, which they occupied Thursday to protest U.S. support for the South Korean government. The U.S. ambassador, Richard Walker, asked the 70 students Friday to end the sit-in, but little progress was reported. Meanwhile, police fought protesters at five universities who supported the group. Two dissidents, Kim Dae Jung and Kim Young Sam, urged restraint by the students.

U.S. Envoy in Israel Says Sharon Divulged '82 Plan to Invade Lebanon

By Edward Walsh
Washington Post Service

JERUSALEM — In his final days as U.S. ambassador to Israel, Samuel W. Lewis has resigned a national debate here over former Defense Minister Ariel Sharon's role in planning the 1982 Israeli invasion of Lebanon and the decision to send the troops as far north as Beirut.

On Wednesday, Mr. Lewis confirmed in an interview on Israeli television that, in December 1981, six months before the invasion, Mr. Sharon outlined his attack plans to Philip C. Habib, President Reagan's special envoy for dealing with the Middle East conflict.

Minister Sharon described in some hypothetical detail the concept for what ultimately I guess was called "Big Pines," Mr. Lewis said, referring to the code name for the Israeli operation to drive the Palesti-

tine Liberation Organization out of Lebanon and to install a pro-Israeli Christian regime in Beirut.

Habib was, as I was and others of us were, rather dumbfounded by the audacity and the political concept that this seemed to involve," Mr. Lewis said.

And Habib reacted at that point very vehemently," he added. "He made it extraordinarily clear to Sharon that this was an unthinkable proposal as far as the U.S. government was concerned."

Mr. Sharon, now minister of industry and trade, was quoted Thursday as having called the ambassador's description of the meeting with Mr. Habib "a gross lie."

The afternoon newspaper Yedioth Ahronot quoted Mr. Sharon as having said:

"It's too bad that in his final, official appearance the American

(Continued on Page 2, Col. 2)



Ariel Sharon

Amal Appears Near to Capturing Sabra and Chatila

Compiled by Our Staff From Dispatches

BEIRUT — Shiite Moslem forces closed in Friday on a small group of Palestinians in the Sabra and Chatila refugee camps, and they assaulted another complex that is the last guerrilla stronghold in Beirut.

"It's a big battle," a Palestinian spokesman said by telephone from the Borge Barzani camp in southern Beirut. "It looks like they're trying to storm in. Our fighters are holding on."

He said the Shiite Amal militia attacked the camp at dusk behind tank fire from the Lebanese Army's 6th Brigade, which is predominantly Shiite.

The fighting followed a Syrian attempt to negotiate a cease-fire at

the camps. The attempt fell apart over lack of support from the Palestinians.

There are an estimated 3,000 Palestinian fighters in Borge Barzani, about 10 times the number that have held out since Sunday in Sabra and Chatila. Many fighters from the latter two camps apparently sneaked through enemy lines Thursday and Friday to join their comrades at Borge Barzani.

Police said 12 persons died in Friday's fighting, and at least 100 bodies from earlier battles were brought from the camps. At least 338 people have been killed since the fighting over the camps began last Sunday.

Fears of an epidemic have been growing because the heavy fire had

kept rescue workers from entering the camps to retrieve the decomposing bodies.

At Sabra, one and a half miles (3 kilometers) to the north of Borge Barzani, several Palestinians held off hundreds of Amal militiamen and 6th Brigade regulars who were advancing through the rubble of the camp behind heavy tank and machine-gun fire.

"A lot of the Palestinians sneaked out last night," an Amal militia officer said. "They left these guys here to fight us."

The guerrillas who left Sabra apparently escaped through a network of tunnels the Palestinians built years ago.

It appeared clear that those Palestinians left in Sabra could not

hold out much longer. Heavy gunfire and explosions thundered throughout the day Friday, and neighbors said they heard what seemed to be the sound of buildings in the camp being dynamited.

Since Wednesday, Amal has been backed by armor of the 6th Brigade. The brigade has acted under orders from Nabil Berri, the Amal leader and Lebanon's justice minister, since Shiites in the army rebelled against their Christian commanders. The unit, with about 1,500 men, has become a virtually autonomous force.

Amal has committed hundreds of its 6,000 fighters to what is being called the battle for the camps.

In Damascus, pro-Syrian Pales-

(Continued on Page 2, Col. 1)

Paradox of South African Gold

Source of Riches for Some Illuminates Poverty of Others



A South African gold miner.

By Alan Cowell
New York Times Service

CARLETONVILLE, South Africa — The cage door closes like a trap and the dark descent, in the direction of the Earth's core, begins at a brisk 30 miles an hour.

Then there is the ruck along tunnels a mile or two below ground. Squeezing through a narrow opening you get to the work place: a black cavern perhaps three feet or a meter high, where shafts of light issue from miners' helmets and drills assault the ears and where, in a narrow vein of rock sloped at 22 degrees, there is gold.

Gold is one of the things that makes South Africa rich for some and illuminates the grim poverty of others. Each morning, before dawn, tens of thousands of mine workers, the bulk of them black, clamber into the cages to go below ground, returning to the surface when the day is over to live in single-sex hostels.

Now this mining town, 50 miles (80 kilometers) west of Johannesburg, they boast the world's deepest gold mine, called Western Deep Levels. A little further along the reef that bears the ore there is also the world's biggest gold mine, called Vaal Reefs, both owned by Anglo-American Corp.

Gold, which sells internationally now for about \$315 an ounce, produced profits for the mining companies last year estimated at \$350 million and taxes for the white-

expenditures, a formula enshrined in the Armed Forces Procurement Manual.

"We are not buying airplanes; we are buying the contractor's costs," said A. Ernest Fitzgerald, who was discharged by the Air Force in 1969 for exposing a huge cost increase in the C-5A cargo plane.

Stanley A. Weiss, chairman of American Minerals Inc. and the president of Business Executives for National Security, told the House Budget Committee in March that the practice inevitably led to higher costs because "everything will be reimbursed if it can be documented as a cost."

In the more competitive world of private industry, Mr. Weiss argued, buyers are uncon-

Senate Sharply Cuts Reagan's Plan for MX

By Steven V. Roberts
New York Times Service

WASHINGTON — The Senate has approved an amendment that would severely restrict President Ronald Reagan's original proposals for production and deployment of the MX strategic missile.

The 78-20 vote Thursday night followed two days of tense negotiations that ended earlier in the evening when the White House reached a compromise with senators on the huge, multiple-warhead intercontinental missile.

Under the compromise, 50 missiles could be deployed in silos beneath the Western plains that now house Minuteman missiles. Two hundred missiles were provided for in the original MX program proposed by President Jimmy Carter, and 100 were proposed by Mr. Reagan two years ago.

In a statement, Mr. Reagan said the vote represented a show of "bipartisan support" for his administration's program to modernize the country's strategic forces. But most lawmakers from both parties agreed that the compromise contained major concessions by the administration and represented a significant retreat by Mr. Reagan from his earlier positions.

The vote also reflected a growing disenchanted on Capitol Hill with the MX on the ground that it is too costly and vulnerable to attack. The House is expected to impose even stronger restrictions when it takes up the issue next month.

The amendment was added to a \$232-billion military spending bill being debated in the Senate.

Mr. Reagan had sought a compromise with the Democrats when it became obvious that the Senate was on the verge of adopting a more stringent proposal by Senator Sam Nunn, Democrat of Georgia, that would have limited the administration to deploying 40 missiles in fixed silos. Elements of the ap-

proved plan include:

• A limit of 50 during fiscal 1986 on the number of missiles that can be deployed in fixed silos.

• The limit on deployment would be strict, rather than the "pause" sought by the president at the outset of the negotiations. The amendment includes a nonbinding expression of sentiment by the Senate that no more missiles can be produced during fiscal 1987, but only for use as testing and "as spares."

Mr. Nunn, who negotiated the deal with the White House, called it a "victory for national defense."

Senator Robert C. Byrd of West Virginia, the minority leader, said the deal sends "a clear signal to the White House that there will be no more MX missiles, no more, period, until the White House and the Pentagon come up with a basing and deployment that is mobile and deceptively."

The White House, however, cast the compromise in a more positive light, saying it left the door open

for the eventual deployment of 100 missiles.

At a briefing after the compromise was reached, Robert C. McFarlane, the president's national security adviser, described the 50-missile limit as "on the way to 100."

Mr. Nunn, however, said the value of Thursday's agreement was that Mr. Reagan had agreed to a limit on future deployment of the missile.

"He may express it differently, but that's my interpretation," Mr. Nunn said.

■ Vote to Test Weapons

The Senate voted Friday, 74-9, to allow three tests in space of an anti-satellite weapon if the president first certifies that testing will not damage negotiations on controlling such weapons. The Associated Press reported.

Earlier, the Senate rejected another amendment to the authorization bill that would continue a moratorium on testing anti-satellite weapons. The vote was 51-35.



Senator Sam Nunn

would require that the submarine be dismantled.

Although the move would clearly violate the letter of the agreement, U.S. officials say, the administration could argue that it is politically justified because, they contend, the Soviet Union has violated the treaty's ceiling on the total number of strategic land- and submarine-based missiles and bombers.

That option, which would keep the Polaris available for a quick return to service, has increasing appeal because of the prospect that the Pentagon budget will grow little if at all in coming years, the senior official said.

Any decision to retaliate against alleged Soviet violations or to abrogate either of the accords could be expected to be severely criticized in Congress and among allies in the coalition.

(Continued on Page 2, Col. 6)

■ Parliament Bars Iceland N-Arms

REYKJAVIK — The parliament of Iceland, a member of the North Atlantic Treaty Organization, unanimously approved a resolution Friday to make the country a nuclear-free zone.

The resolution banned the deployment of nuclear weapons on land, in territorial waters and in Icelandic airspace. Last month, the government banned nuclear-armed warships from its ports and territorial waters.

"This decision means that as a sovereign state we must make sure nuclear weapons are never brought to Iceland, neither in times of peace nor war," said Foreign

Bomb Death of 4 Provokes Angry Dublin-Belfast Exchanges

Compiled by Our Staff From Dispatches

BELFAST — An IRA bombing that killed four Ulster police officers this week has heightened a dispute between the police forces of the Irish Republic and Northern Ireland, leading to an exchange of complaints.

Observers say the worsened relations threaten to hamper cooperation between the two forces in fighting cross-border attacks by the Irish Republican Army.

The conflict comes at a sensitive time, with talks under way between Dublin and London over a new political formula at ending 15 years of civil strife in Northern Ireland. The formula could include some sort of joint security role.

The rift traces back to an incident in 1982 when contacts between the chiefs of the police forces in the republic and the North broke down.

The dispute was exacerbated Tuesday when Northern Ireland police issued a

statement saying they believed that the men and explosives used in the attack Monday that killed four officers had come from across the border.

The Irish Republic police, in an unprecedented move, issued a counterstatement saying there was no evidence for the charge.

The Dublin statement expressed disappointment over the claim by the North, which it described as pure speculation. "That is not the language of cooperation and mutual concern," it declared.

Dublin accused the Royal Ulster Constabulary of seeking to use the news media to point the finger at police in the republic for allegedly not doing enough to combat terrorism.

Dublin said "misunderstandings of the past few days" between the two forces should be recognized for what they were, and that both forces should be allowed to continue their cooperation "in an effective and professional way."

It made no reference to a call by Sir John Hermon, police chief in Northern Ireland, for a meeting with Lawrence Wren, the republic police chief, and other officials of Britain's domestic news agency, Press Association, who prospects for such meetings seemed slight.

Some specialists on Irish affairs saw the North's statement as an attempt by Sir John to put pressure on his counterpart in Dublin for talks on strengthening security cooperation.

In 1982, regular contacts between the two police chiefs broke down when police in the North briefly detained a man who was to have given evidence in an assault case against a relative of the Irish justice minister at the time, Sean Doherty.

The London Times said Tuesday that the IRA bomb attack on Monday "highlighted the breakdown in relations between senior police officers in the North and the Republic."

The bomb destroyed an armored Royal Ulster Constabulary patrol car a few yards from the border. The explosion near the town of Newry, killed three policemen and a woman. The IRA claimed responsibility.

The Irish Republican Army is fighting to drive the British from Northern Ireland. It wants to unite the predominantly Protestant province with the overwhelmingly Catholic Irish Republic after overthrowing the political establishment in Dublin.

Guerrillas operate on both sides of the loosely guarded border, often fleeing back to the republic after attacks in the North.

As the violence persists, Britain and Ireland are pursuing a dialogue over a new political formula, but a meeting of Prime Minister Margaret Thatcher and Prime Minister Garret Fitzgerald on the problem will not take place until fall at the earliest, Agence-France Presse reported Friday, quoting government sources.

The officials said that both sides wanted a meeting only if assured of success. They said the meeting, originally announced for the first of the year and then postponed until summer, could be put off altogether.

At a conference of his Fine Gael Party last weekend, Mr. Fitzgerald insisted on "radical action" by the British Government with the Irish government to end the alienation of the Northern Ireland nationalities minority.

As evidence of such "alienation" felt by Catholics, Mr. Fitzgerald cited the success of Sinn Fein, the political arm of the IRA, in May 15 local elections.

Inform sources told AFP that the Irish and British governments had looked at several possibilities for cooperation: closer ties between courts in certain jurisdictions, economic links and cooperation in security matters.

No results have been announced yet.

(AP, Reuters, AFP)

WORLD BRIEFS

Punjab Requests Reinforced Security

NEW DELHI (AP) — Authorities in Punjab state, expecting an escalation in sectarian violence early next month, have requested additional paramilitary forces, the state police chief was quoted as saying Friday.

Sikhs in the northern state are planning to observe June 1 to 7 as "massacre" week to commemorate the army attack on the Golden Temple in Amritsar a year ago. Hundreds of Sikhs and soldiers were killed in the assault to dislodge suspected Sikh terrorists from the most revered Sikh shrine.

The United News of India, reporting from the state capital of Chandigarh, quoted the police chief, K.S. Dhillion, as saying that violence was expected in certain Hindu-dominated areas. He declined to say how many additional troops were requested, but he said no curfew was planned in the city. But the police declared curfews in two other Punjab towns after Hindu-Sikh clashes and other violence blamed on Sikhs, the news agency said.

Soviet Dissident Is Allowed to Leave



Irina Kristi

Reagan to Get Options on SALT Pacts

(Continued from Page 1)

North Atlantic Treaty Organization. Such action also could be expected to reduce prospects for the U.S.-Soviet arms talks at Geneva, where new controls on offensive and space weapons are being discussed.

Besides handing Moscow a significant propaganda advantage, officials say, a decision to break out of the arms control agreements also could doom the chances of Dutch deployment of new U.S. cruise missiles this fall, increase congressional opposition to the president's space-based defense program and kill waning hopes for a U.S.-Soviet summit this year.

SALT-1 was signed in 1972 and expired after five years, but U.S. and Soviet officials said they would continue complying with its provisions while efforts to agree on a second accord proceeded.

SALT-2, signed in 1979 but never ratified, has been called "totally flawed" by the Reagan administration.

The Labor government decided earlier this year not to allow nuclear-powered or nuclear-armed warships into its harbors, putting a strain on relations with the United States. Earlier this week, Mr. Lange canceled a meeting with the U.S. secretary of state, George P. Shultz. Mr. Lange said that U.S. officials told him that Mr. Shultz would not have time to discuss the tripartite alliance of Australia, New Zealand and the United States.

Talking of Mr. Sakharov, a physicist and dissident, she said, "We have real grounds to believe that on the 16th of April, Sakharov was on hunger strike ... He was taken to the hospital on the 21st and forced fed, and I have reasons to believe that he was on hunger strike at least until the 3d of May."

New Zealand to Delay Nuclear Laws

WELLINGTON, New Zealand (AP) — Prime Minister David Lange said Friday that the government would delay introducing legislation that formalizes its ban on nuclear warships, partly because the bill might be seen as being anti-American.

The prime minister said the bill probably would not be introduced before July. He said that U.S.-New Zealand relations had "settled down into a sensible, working relationship."

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Trial in Pope Shooting Opens Monday

ROME (AP) — Sergei I. Antonov, the Bulgarian charged in Rome with plotting to kill Pope John Paul II, is to go on trial here Monday.

Mr. Antonov, 36, was indicted 18 months after the assassination attempt on May 13, 1981, and has spent nearly three years under arrest awaiting trial.

Mehmet Ali Agca, the Turk sentenced to life imprisonment for shooting the pope, charged after his conviction that he was assisted by Mr. Antonov and two other Bulgarians no longer stationed in Rome. The two others, both Bulgarian Embassy employees, left Italy before Italian police arrested Mr. Antonov on Nov. 25, 1982. Bulgaria has refused to extradite them.

Partial Response to Argentine Strike

Buenos Aires (UPI) — A call for a general strike on Thursday against government austerity measures drew a partial response and the labor action ended peacefully.

Schoolteachers, bus drivers, train workers and many white-collar employees stayed on their jobs, while major industries located around the city closed.

Strikers, some of them beating huge drums, marched and took hired buses and public transportation to a protest rally in the capital's Plaza de Mayo, in front of the presidential palace. Local news agencies estimated the crowd at between 70,000 and 200,000.

For the Record

SUDAN — Former first vice president, Omar Mohammed Tayib, is to be tried for alleged involvement in the recent ardent of several thousand Ethiopian Jews to Israel via Khartoum, the Sudan News Agency reported.

SAO TOME — South Africa proposed talks with Angolans on Friday to discuss the return of a South African soldier captured in Angola three days ago.

UNITED STATES — The smallest of six surviving septuagint born to Patricia and Sam Frustaci, a one-pound (450-gram) boy, died Friday in Orange, California, of complications from his premature birth.

NETHERLANDS — Nigeria's expulsion of illegal immigrants was ending Friday, Radio Nigeria said in broadcasts monitored in Abidjan, Ivory Coast. Reports from neighboring countries indicated that no more than 200,000 of the immigrants, put at 700,000 by Nigeria, had left.

POLAND — The trial of three Solidarity leaders in Poland was postponed Friday when one defendant, Adam Michnik, became ill. A judge ruled in Gdansk that hearings should be put off until June 3.

11 Industrial Nations Agree On Modest Money Reforms

(Continued from Page 1)

ambassador didn't feel the need to tell the truth and express remorse over the fact that he, together with Philip Habib and Draper here, and Velotes in Washington, were responsible for killing an Israeli soldier there last February.

Mr. Lewis, ambassador since 1977, will leave May 31.

Paper Gives Account of Talk

The Israeli paper Davar added details of what it said was the conversation between Mr. Sharon and Mr. Habib, in a report from Washington. United Press International reported from Jerusalem.

Mr. Lewis' account of the December 1981 meeting between Mr. Sharon and Mr. Habib was not new. But it marked the first time that it had been confirmed by a senior U.S. official. A detailed description of the meeting, said to have taken place on Dec. 5, was

provided by Zeev Schiff, military editor of the newspaper Haaretz, and Ehud Yaari, Arab affairs correspondent for Israel television, in their book, "Israel's Lebanon War."

You frightened me," Mr. Habib said. "What will you do with the 100,000 Palestinians?"

"We shall deliver them to the Lebanon," Mr. Sharon answered.

■ **U.S. Responds to Sharon**

The U.S. State Department

strongly objected Friday to Mr. Sharon's assertions that U.S. officials had not objected in late 1981 to his plans to invade Lebanon. The Associated Press reported from Washington.

■ **State Department Spokesman**

Edward P. Djerejian, confirmed

Mr. Lewis' account that his plans for a massive invasion were "unthinkable."

■ **Agreement on Invasion**

A State Department spokesman,

Mr. Djerejian, said that his plan

to invade Lebanon was "unthinkable."

■ **U.S. Response to Soviet Accusations**

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The U.S. State Department

New U.S. Bill Would Delay Legalization Of Aliens

By Robert Pear
New York Times Service

WASHINGTON — Senator Alan K. Simpson has introduced a new version of his comprehensive immigration bill that would delay the granting of legal status to illegal aliens until after the United States had better control of its borders.

The action on Thursday was the third time in four years that Senator Simpson, a Republican of Wyoming, had introduced a bill to overhaul the nation's immigration laws and curtail the influx of illegal aliens.

There was, however, no sponsor for the new bill in the House. Representative Romano L. Mazzoli, a Democrat of Kentucky, who has led the campaign for the bill in the House, did not concur. Senator Simpson's news conference Thursday and was silent on his intentions.

The new Simpson bill differs in several major respects from the legislation passed twice by the Senate and once by the House. Under earlier versions of the bill, amnesty for illegal aliens would have taken effect about the same time as penalties for employers who hired illegal aliens.

The new bill would not offer legal status to illegal aliens until a presidential commission certified that the employer penalties were reducing the illegal entry of aliens into the United States and the employment of illegal aliens. It was not clear how the commission could make such a determination because the government has no reliable way of counting illegal aliens.

A special U.S. commission that studied the immigration question estimated that, as of 1978, there were already 3.5 million to six million persons illegally in the United States, and the problem has steadily grown since then.

Mr. Simpson said he thought the legalization program could start within a year after the bill was passed. But he said it was necessary to make the program contingent on improved enforcement because otherwise it "would cause a tremendous stimulus to further illegal entry by aliens."

Many conservatives have criticized the amnesty proposal on the ground that it would reward law-breakers. The senator said he wanted to "assure the American public that legalization will not cause additional flows of illegal aliens."

Passage of the bill appears likely in the Senate, which approved earlier versions of the legislation, in 1982 and 1983, by margins of more than 4 to 1. But the outlook is uncertain in the House, which approved the measure by a vote of 216 to 211 last June.

The Simpson bill would prohibit employers from hiring illegal aliens. An employer convicted on a first offense of hiring illegal aliens would be subject to civil penalties ranging from \$100 to \$2,000 for each illegal alien. The maximum penalty for employers for a "pattern or practice" of violations would be \$10,000 for each alien.

Joseph M. Trevino of the League of United Latin American Citizens and Richard Fajardo of the Mexican-American Legal Defense and Educational Fund opposed the bill.

They said the employer sanctions would probably be ineffective and that, as a result, Hispanic people would not get the benefit of a legalization program.



CLOWNING AROUND — Passengers on a New York City subway train are treated to the antics of clowns from the Ringling Bros. and Barnum & Bailey circus.

AMERICAN TOPICS

Twice the Turf Of a U.S. Senator

Every U.S. state has two senators but the six smallest in population — Alaska, Delaware, North Dakota, South Dakota, Vermont and Wyoming — have only one member each in the House of Representatives. Unlike the rest of the 535 members of Congress, each of these six congressmen-at-large represents an entire state. They all agree that this makes them big frogs in small ponds at home, but small frogs in the big pond of Washington.

"You can get more attention" at home, said James M. Jeffords, a Vermont Republican, noting that recognition throughout the state makes the sole House seat a ready stepping stone for the governorship of the U.S. Senate. "If you're from New York City [which has 19 representatives in Congress] you have to punch the mayor in the nose to get a headline."

In the House, at-large representatives get few choice committee assignments. "You don't have much of a cheering squad," Byron L. Dorgan, a North Dakota Democrat, told The New York Times. "It's especially lonely when you have a controversial issue."

But the six lone wolves never have to chase around to see how other representatives from their state are voting. Thomas A. Daschle, a South Dakota Democrat, said, "You meet your delegation every time you get up in the morning."

Short Takes

Henry W. Maier is the country's longest-tenured big city mayor, with 25 years of running Milwaukee. Mr. Maier, 67, a Democrat, is a pioneer in enabling cities to share federal revenue. His 25 years in office surpass the 24 served by a Milwaukee predecessor, Daniel W. Hoan, and by Atlanta's mayor, William B. Hartsfield, or the late Richard J. Daley's 22 years in Chicago, but are well short of the 41 years served by Erastus Corning 2d of Albany, New York, until his death in 1983.

U.S. Navy Refuses To Bend the Knee

The Episcopal bishop of Florida, William H. Folwell, 60, has sued the federal government for \$200,000, claiming he injured his knee when he slipped and fell on the U.S. Naval Training Center's tennis courts at Orlando. The Navy has filed a counterclaim, contending that the bishop was a trespasser and owes \$5,200 for the use of the courts over five years.

The bishop says his left knee was damaged so badly that he is unable to genuflect before the altar.

— Compiled by ARTHUR HIGBEE

U.S. May Consider Combat In Latin America, Shultz Says

(Continued from Page 1)
called on Mr. Ortega to hold genuine free elections that November.

■ Office's Indictment Expected

James LeMoine of The New York Times reported earlier from San Salvador.

U.S. and Salvadoran officials say they intend to reopen an investigation into the 1981 killings of two American agrarian advisers and the head of the Salvadoran land-redistribution institute here. They added that they expected an army officer to be indicted in the case.

The new investigative unit, which had not been publicly mentioned before, has been quietly working on the case of the slain agrarian experts for several months and has developed "substantial new evidence" that will result in the indictment of an army officer who had been suspected in the killings but had never been charged, an official familiar with the case said.

Those killed at the hotel included José Rodolfo Viera, the head of the Salvadoran land redistribution agency, and two advisers for the American Institute for Free Labor Development, Mark D. Pearson and Michael P. Hammer.

Bu American and Salvadoran officials contend that this time an investigation will definitely go ahead.

As evidence of the government's determination, the officials said that a special investigations unit of at least 20 carefully selected Salvadoran policemen has been trained by the FBI to pursue those responsible for killing the advisers at the Sheraton Hotel four years ago, as well as to investigate other highly publicized human rights cases here.

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equipment to the design for which the contract has been awarded. It is also common to request technology that has not yet been invented or engineered while proceeding currently with production and research.

These methods are very expensive, but the Pentagon argues that sticking with proven technology would result in obsolete equipment.

• Enhancing "program stability." This approach, given a high priority by the Pentagon bureaucracy, is defined as sticking to a weapon-buying plan so that efficient production rates can be established and prices gradually will go down. Military officials often cite this principle in urging Congress not to reduce budget requests.

What happens in practice is something altogether different, according to a series of studies conducted by Franklin C. Spinney, a Pentagon analyst. Mr. Spinney says the unit costs of weapons are nearly always higher than predicted. His view was disputed by his superiors, who have made strenuous, though unsuccessful, efforts to bar him from testifying to Congress.

The historical tendency to underestimate costs, which independent analysis say has accelerated, has had serious consequences.

When the cost of all programs is understated because of what an official Air Force study called "unbridled optimism" or by outright collusion between the services and contractors to delude Congress, the eventual result is that appropriated funds cover neither the purchase of the planned number of weapons nor the cost of operating and maintaining them.

The path usually taken is to stretch the production of all items over a longer time period, a practice that inexorably leads to higher unit costs and, in turn, aggravates the problem in subsequent budget cycles.

Canceling some weapons programs instead of stretching all of them over a longer time period frequently has been suggested, sometimes by military officials themselves. But no matter how expensive a ballooning program may seem, the Pentagon usually has argued successfully that to kill a program would be to sacrifice money already spent.

Once initiated, a program also builds a powerful constituency in industry and therefore in Congress.

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ARTS / LEISURE

Orientalist Kitsch Fetches Record Prices

International Herald Tribune

NEW YORK — One of Sotheby's most unlikely gambles came off Wednesday when the "Important Orientalist Paintings from the Collection Coral Petroleum, Inc." realized \$7.1 million, leaving only three lots, valued at a negligible \$61,500, unsold.

The world record for an kitsch painting, Orientalist or not, was established when a picture by John

company investment. The "collection" gave the feel of a collective compromise with a bit of everything in it.

But overriding other considerations was the nature of the pictures. Many looked like parodies, like so much else of 19th-century academic art in general and of its so-called Orientalist sideline in particular.

Starting with "Music in the Ham-

em" by the obscure Russian artist Vincent Stiepevich, it went on with a work of the Austrian painter Eduard Ender called "Der Liebling des Pascha" ("The Pasha's Beloved") and, shortly after, veered abruptly to the great Romantic master Eugène Delacroix with "Chevaux sortant de l'abreuvoir" ("Horses Leaving the Watering Place"). The picture hardly conveys the stormy atmosphere of a landscape in the Algerian highlands at sunset.

It shows a horseman wearing the

baggy trousers and waistcoat in the Turkish fashion still prevalent in the early days of the French occupation of Algeria, who is trying to steady his rearing horse while leading away another restive steed. The dim figure of a warrior, spear in hand, appears in the distance. Painted in 1857, the picture is done in nervous, vibrant strokes with more than a touch of Turner's influence, heralding the Impressionism 15 years later. It is, in short, a remarkable work by a remarkable master, a far cry from the bland picture postcards of Stiepevich, Ender, et al.

After that the sale veered abruptly to the harsh realism of the American painter Edwin Lord Weeks. His view of "Camels Watering at a Desert Well," dated 1878, is perhaps not the greatest work of art, but it has a strong atmosphere. The whitish sand strews with a few rocks under the intense blue sky of the Saharan desert and its pinkish

wisps of shredded clouds at dawn on a spring day, the three low wells of roughly carved stone with two camels standing by, watched by their dark-skinned driver in ragged blue robes, the silhouette of a woman crouching on the rim of a cistern as she pulls up water — all this has the appearance of a genuine document.

The contrast with the next landscape, done in 1840 by the Swiss artist Johann Jakob Frey, is extreme to the point of absurdity. "Blitz aus der Römischen Wasserleitung in Thugga" (View From the Roman Aqueduct at Thugga, or Dogga, near Teboursouk in Tunisia) is carefully composed in the neoclassical manner with all the idiosyncrasies of neoclassicism, however ill-suited to the subject matter.

The foreground, with its growth of spiky leaves and cactuses, manages to be dark against all probability in the glare of sub-Saharan sunlight, because Claude Lorrain had dark foregrounds in the 17th century and his early-19th-century French imitators decided theirs would be too. In the distance, the tiny figure of an Arab woman in white veils riding a donkey has a touch of the "Flight to Egypt" about it. A pale blue strip of sea lined by low marshy hills appears on the horizon with the remains of an aqueduct, making it the perfect exotic chocolate-box image.

Possibly feeling that he had not gone far enough in the way of artistic diversity, the "collector" had further acquired a scene of horsemen prancing in the desert by Eugène Fromentin, the French author of the Romantic novel "Dominique," who spent years painting in Algeria in a Romantic manner. He had even bought a portrait by Corot, who is hardly thought of as an Orientalist.

But this towering master of the French school had once portrayed his pupil Ernest Dumesnil dressed as an Algerian Arab warrior. That was a good enough reason for the "collector," even though the white silhouette, boldly sketched in quick, broad strokes of the brush, is closer to the modern vision than to the sticky kitsch that made up much of the collection.

In short, subject matter, not aesthetics, was the link between the paintings. They dealt with the Middle East as seen or dreamed by 19th-century Europe. There were street scenes, apartment scenes and desert scenes. In addition to the record-breaking "Call to Prayer" of Sharai, a 1300-year-old Islamic code is known, frown on alcohol, gambling and the night-club life — all of which have helped to make Cairo the playground and religious critics contend, the vice capital of the Arab world.

But the assembly's action has done little to dampen the enthusiasm of Egyptians for night life.

"We only had about 50 Egyptian members when the club opened on May 2," Leam Bamya, its public relations representative, said. "Now we have more than 100."

The club, in the El Gezirah Sheraton overlooking the Nile, is the first of the chain of night-club restaurants to open in the Arab world, and Régine cut the ribbon and sliced the cake. Régine Choukroun, who was born in Belgium and is Jewish, said she had achieved her ambition to become "an international person."

Egyptians say Moustafa Abuash, the Palestinian-born owner of the club, paid 300,000 Egyptian pounds, or about \$360,000, for the use of Régine's name.

Among them was Miss Egypt, who was Miss World of 1954 and who declined to give her age. She was delighted to be back.

"I'm married and live in Rome," said Antigone Costanda, an Alexandria-born beauty of Greek origin, adding with a sigh, "it's nice to see a little of the old zest and gaiety back in Cairo again."

Cairo's Nightbirds Flock To Glittering New Disco

By Judith Miller

New York Times Service

CAIRO — Two days after the gala opening of Régine's, Cairo's latest discotheque, Egypt's parliament voted to review the country's laws "systematically and scientifically," to eliminate those inconsistent with Islamic law.

Sharia, as the 1300-year-old Islamic code is known, frowns on alcohol, gambling and the night-club life — all of which have helped to make Cairo the playground and religious critics contend, the vice capital of the Arab world.

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collage danced to the music of Michael Jackson, Tina Turner and Madonna. For the men, dress was black tie, or as the invitation suggested, "evening elegance."

An Egyptian cabinet member attended, but he asked that his name not be published. A member of the Moslem Brotherhood, the Islamic fundamentalist political party that is advocating the adoption of Sharia in Egypt, held watch outside.

He scowled at the bare backs and exposed knees. "These people don't belong in Egypt," he complained. "This is decadent."

Decadence in Egypt is expensive. Membership in the club costs 1,500 Egyptian pounds, three times what the average Egyptian makes a year.

The opening-night guests included Iman, a blond actress known for her portrayals of the seductive woman who temporarily steals husbands from devoted but less attractive wives. "It's a wonderful addition to our night life," cooed Iman, whose real name is Louise Sarkisian.

None of the more than 25 celebrities invited to the opening, among them Ursula Andress, John Travolta, Brooke Shields and Julio Iglesias, showed up. But the club assembled eight of what it called the "most beautiful women in the world."

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Dutch Museum to Show Rembrandt Drawings

The Associated Press

AMSTERDAM — Fifty Rembrandt drawings that have not been shown to the public for as long as 100 years are to be displayed at the Rijksmuseum here next month.

The works are among 60 drawings by the 17th-century painter that the museum acquired over the last century, and date from every major period of his life. They illustrate his experimentation with various techniques and media, including pencil, charcoal and pen, and include a study for his painting "The Syndics: The Sampling of the Amsterdam Drapers Guild," which hangs in the Rijksmuseum.

Not only has the so-called "collection" no aesthetic unity, but it does not show any concern for documentary value. How could such a motley assortment do so well? Apries explained that "new buyers," the current obsession at Sotheby's, played a key role. "The buyer of the things I've never bought anything in our rooms," was his way of putting it. And it would seem to take a virgin mind, unaware of such considerations as the current prices for truly great paintings, to pay such an enormous amount for that picture. Sotheby's would not release



Lewis's "An Intercepted Correspondence" (detail).

Odilon Redon's "Cactus Man" (detail).

The 'Holy Torment' of Odilon Redon

By Michael Gibson
International Herald Tribune

BORDEAUX — "A painter who has found his technique," Odilon Redon wrote in his journal, "does not interest me. He knows nothing of the holy torment whose spring is in the unconscious; he has no expectation of what is yet to be. I love that which never was."

Born in Bordeaux, raised there on the Allées Damour (which he wrote of as "T'Amour") and later among the somewhat gloomy marshes, ponds and vineyards on the flatlands of Peyrelebade, his parents' estate, Redon (1840-1916) was constantly in search, not only of his technique, but also of his substance. This searching makes him admirable at times and, at times, uneven.

It also made him something of an esteemed outsider in the art of his period. He loathed the academic style and suffered briefly under Jean-Léon Gérôme at the Académie des Beaux-Arts in Paris. He admired Gustave Moreau but deplored Moreau's inability to shake off standard academic rhetoric. He did not address the real issues of art.

He followed his own singular adventure, which, seen here in its full scope, can strike one as a tremendous crescendo from the dark, dreamy anguish of his earlier work, all in black and white, to the later luminous, concurvate pastel and oil colors of the later part of his career.

Bordeaux is devoting an important show to Redon at the Galerie des Beaux-Arts, with 244 works from museums and collections in Europe, the United States and Algeria.

A display of 23 works at the city museum is devoted to Rodolphe Bresdin, an equally singular artist, who gave the young Redon his

technical points and impetus he needed at the start of his career.

Redon's father had made his fortune in New Orleans before returning to settle in Bordeaux. In time the family bought a vintner's manor and its surrounding vineyards, where Redon grew up. Much later, returning there after a long absence, Redon wrote a friend: "Under a lovely light and a fine sun I went out to the Médoc in the vintage season. I am glad I did so for, living there no longer, I understand everything concerning the fatal origins of the utterly sorrowful art I produced there."

It was Redon's admiration for Bresdin, whom he met when he was 23, that caused him to restrict himself to black-and-white media until he was 40. (The show includes a portrait of Bresdin cast as a Rembrandt philosopher.)

But when Redon did turn to color, he did so with an intensity that was really without precedent to that day. He was already a master of the *clair-obscur*, the contrast of light and dark in charcoal drawings and lithographs. And he subsequently transposed this understanding of light to his pastels and oils.

A splendid pastel from the Woodner collection shows a deep blue boat moving across a bright green sea with a sail as luminous yellow as a mustard field in May spread overhead. The interplay of these colors and their intensity suggest that light is pouring out of the picture itself, as in a stained glass window.

Redon had a strong link of friendship with Stéphane Mallarmé, and they were even working on the illustrations of Mallarmé's "Un coup de dés jamais n'abolira le hasard" when the poet died. This, and the subject matter of his work, ties the artist into the Symbolist movement. But his highly individualistic idiom generally preserves him from the clichés one often associates with this tendency.

Redon does not have Goya's ferocious genius or Kubin's perverse and pervading sexual terror. Consequently, the tension sometimes drops abruptly and we come upon a work that is no more than a concept that did not fully come to life. The Spaniard's eyes of some of his "elevated" figures can appear self-indulgent, and his female heads are generally problematical (except for a charming lithograph of a girl's head done in 1884) because they have neither hieratic intimacy nor fleshly substance.

But Redon's work is clearly the trace of a singular spiritual adventure. The influence of Bresdin at the outset probably encouraged him in this singularity.

Bresdin, the child of a poor Breton family, lived a fiercely independent life in the service of his art that literally kept him a pauper till his

death. During the last five years he even worked as a street sweeper in Paris. His engravings, which have more affinity with works of the German Renaissance than with anything else, are quite without precedent in French art. They are "Gothic" in the English sense of the word, being filled with lurking skeletons and little scowling monsters hidden among the branches of arthritic trees.

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Redon does not have Goya's ferocious genius or Kubin's perverse and pervading sexual terror. Consequently, the tension sometimes drops abruptly and we come upon a work that is no more than a concept that did not fully come to life. The Spaniard's eyes of some of his "elevated" figures can appear self-indulgent, and his female heads are generally problematical (except for a charming lithograph of a girl's head done in 1884) because they have neither hieratic intimacy nor fleshly substance.

But Redon's work is clearly the trace of a singular spiritual adventure. The influence of Bresdin at the outset probably encouraged him in this singularity.

Bresdin, the child of a poor Breton family, lived a fiercely independent life in the service of his art that literally kept him a pauper till his

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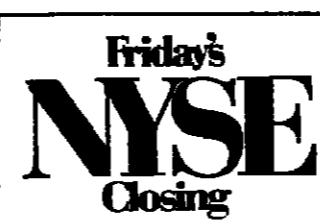
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NYSE Most Actives						
Vol.	High	Low	Last	Chg.	Per cent	Close
DowCh	1434	337	324	326	+1	+
PanAm	1226	1226	1216	1216	-1	-1
RepsAir	1116	70	67	67	+0.5	+0.5
Modis	7901	125	120	120	+0.5	+0.5
HawPac	7909	330	324	324	+0.5	+0.5
PhilPet	7722	275	270	270	+0.5	+0.5
Cmny	7452	415	410	410	+0.5	+0.5
PhileEl	7133	142	140	140	+0.5	+0.5
Danks	695	52	51	51	+0.5	+0.5

Dow Jones Averages						
Open	High	Low	Last	Chg.	Per cent	Close
Indus	10,010	9,987	9,971	9,971	+1	+0.01
Trans	60,211	60,129	60,111	60,111	+0.5	+0.01
Util	14,251	14,229	14,211	14,211	+0.5	+0.01
Comp	33,348	33,348	33,335	33,335	+0.5	+0.01

NYSE Index						
High	Low	Close	Chg.	Per cent	Close	
Composite	124.07	123.71	123.97	+0.28	+0.22	
Industrials	124.11	123.73	123.11	+0.43	+0.34	
Trans	124.27	123.91	123.41	+0.38	+0.31	
Finance	116.82	116.44	116.81	+0.09	+0.08	



NYSE Dailies						
Class	Prev.	Buy	Sales	Vol.	4 P.M. volume	Prev. 4 P.M. vol.
Advanced	845	713,991	47,747,070	889	85,770,000	101,000,000
Declined	529	256,972	1,218	121	7,000	8,000
Total Issues	1,374	330,963	48,965,088	1,010	92,750,000	109,000,000
New Highs	112	1,200	1,200	1	1,200	1,200
New Lows	112	1,200	1,200	1	1,200	1,200
Volume up	49,716,710					
Volume down	21,534,430					

Odd-Lot Trading in N.Y.						
Class	Prev.	Buy	Sales	Vol.	4 P.M. volume	Prev. 4 P.M. vol.
Advanced	845	713,991	47,747,070	889	85,770,000	101,000,000
Declined	529	256,972	1,218	121	7,000	8,000
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Volume up	49,716,710					
Volume down	21,534,430					

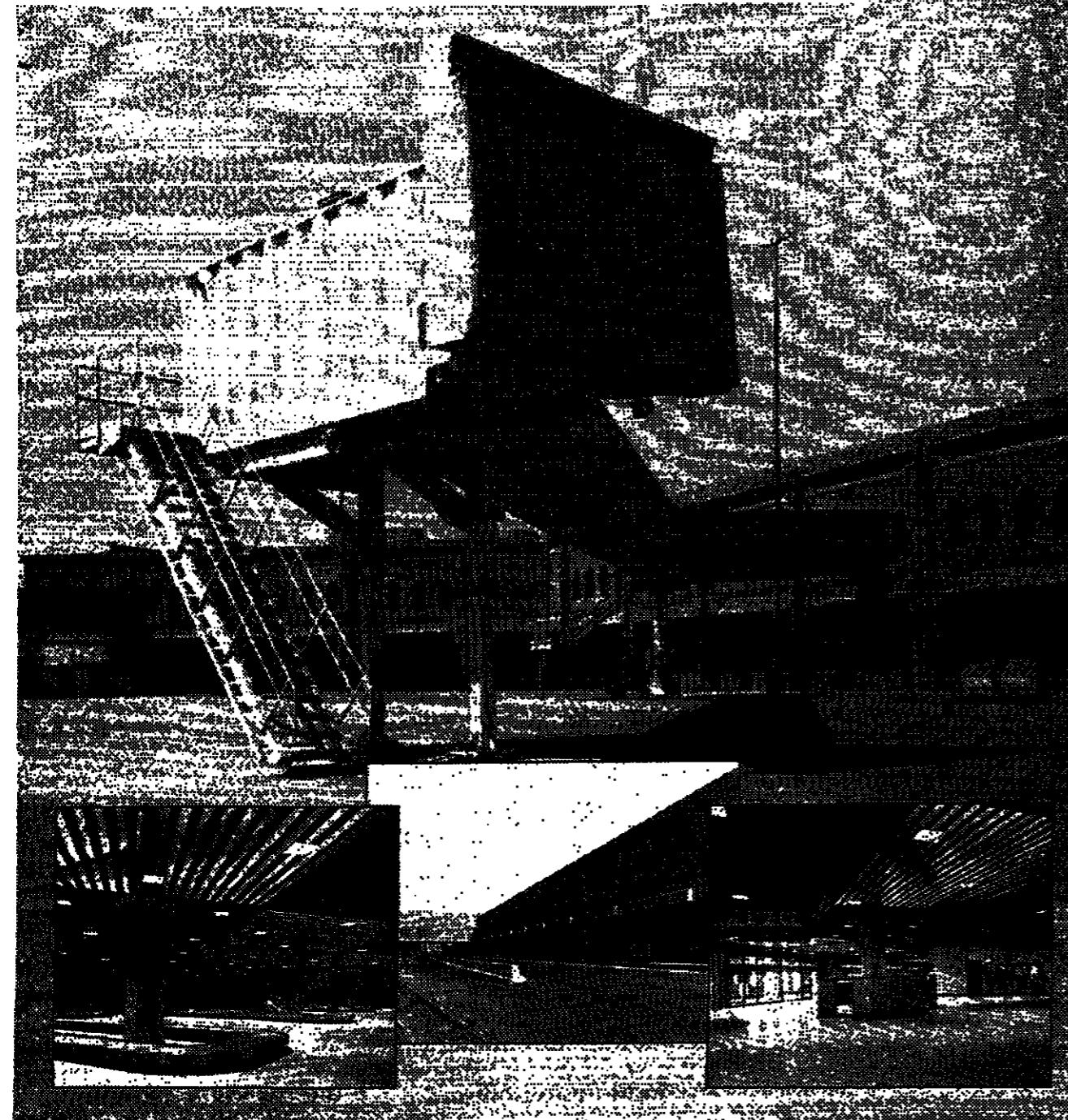
NYSE Closing						
High	Low	Close	Chg.	Per cent	Close	
Composite	124.07	123.71	123.97	+0.28	+0.22	
Industrials	124.11	123.73	123.11	+0.43	+0.34	
Trans	124.27	123.91	123.41	+0.38	+0.31	
Finance	116.82	116.44	116.81	+0.09	+0.08	

Friday's NYSE Closing						
High	Low	Close	Chg.	Per cent	Close	
Composite	124.07	123.71	123.97	+0.28	+0.22	
Industrials	124.11	123.73	123.11	+0.43	+0.34	
Trans	124.27	123.91	123.41	+0.38	+0.31	
Finance	116.82	116.44	116.81	+0.09	+0.08	

AMEX Diaries						
Class	Prev.	Buy	Sales	Vol.	4 P.M. volume	Prev. 4 P.M. vol.
Advanced	215	215	215	11	2,170,205	1,650,370
Declined	125	125	125	11	—	—
Total Issues	330	330	330	11	—	—
New Highs	112	112	112	1	1,200	1,200
New Lows	112	112	112	1	1,200	1,200
Volume up	2,170,205					
Volume down	1,650,370					

NASDAQ Index						
Class	Chg.	Buy	Sales	Vol.	4 P.M. volume	Prev. 4 P.M. vol.
Composite	215	215	215	11	2,170,205	1,650,370
Industrials	215	215	215	11	—	—
Trans	215	215	215	11	—	—
Finance	215	215	215	11	—	—

AMEX Most Actives						
Vol.	High	Low	Last	Chg.	Per cent	Close
GRCO	260	259	259	259	+1	+0.38
WOG	250	249	249	249	+1	+0.40
Detco	215	214	214	214	+1	+0.47
TIF	215	214	214	214	+1	+0.47
Astro	215	214	214	214	+1	+0.47
Int'l P	215	214	214	214	+1	+0.47
Medco	215	214	214	214	+1	+0.47
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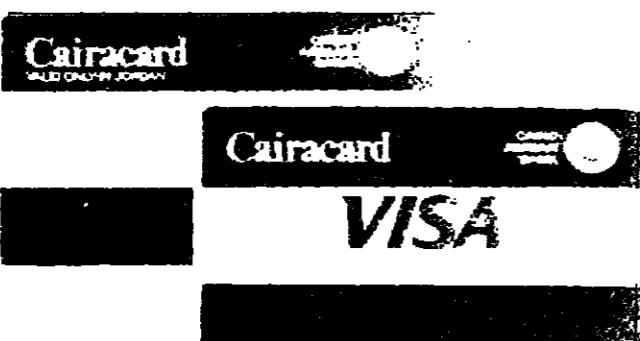
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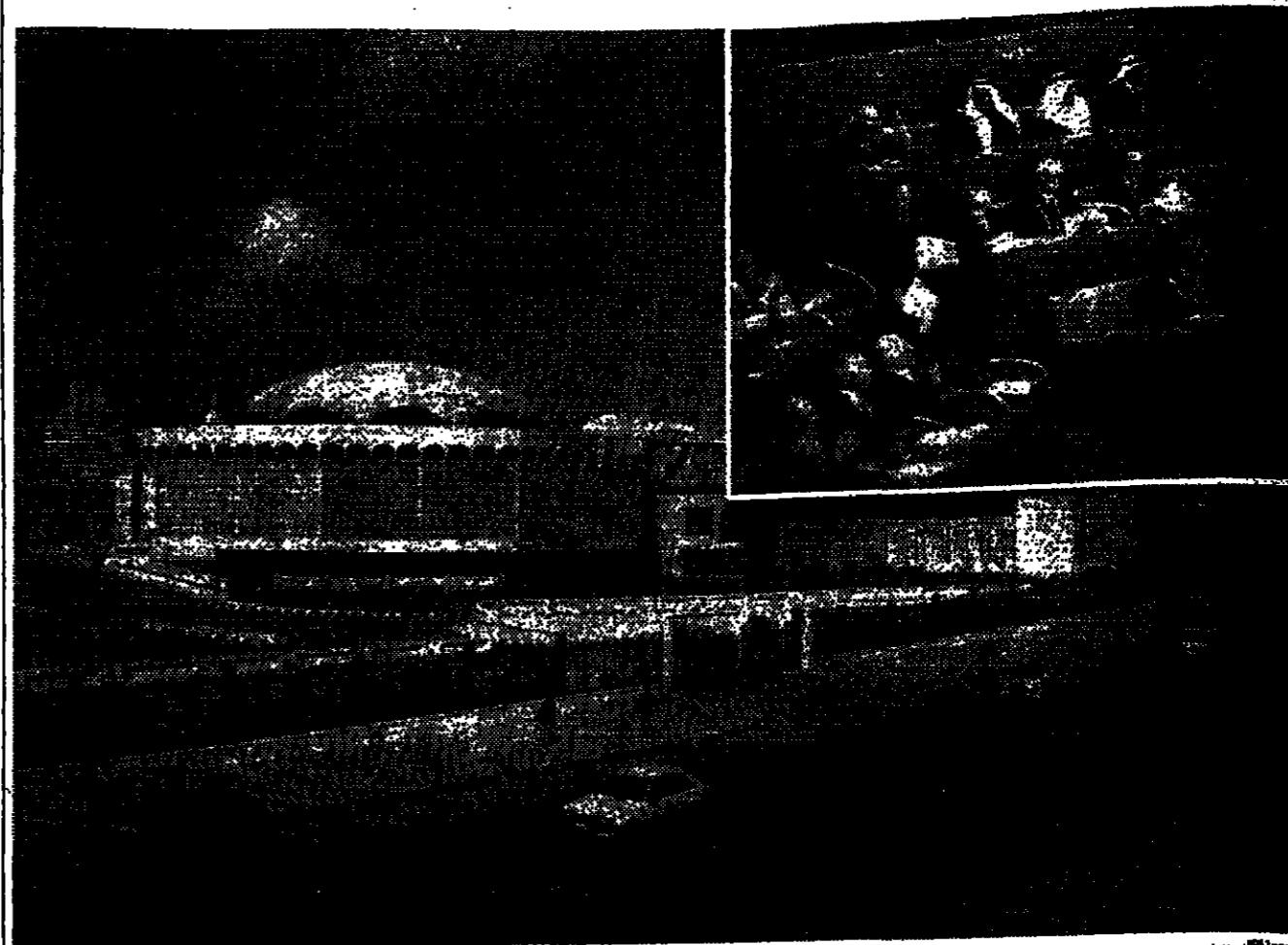


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A SPECIAL REPORT ON JORDAN



The Parliament building in Amman; inset, members of Parliament in session.

Parliament Back in Action After Decade

AMMAN — When Prime Minister Zaid Rifai was named to head a new government last month, he had to face a parliamentary vote of confidence preceded by 12 hours of debate.

The occasion was evidence of a return to normal parliamentary practice in Jordan after a lull of 10 years.

But, while the lower house of the national assembly resumed its activities last year, the return to a parliamentary system so far seems to be little more than symbolic.

"People put a lot of hope in the recall of parliament," a senior Jordanian official remarked. "But in reality it has changed very little."

The 60-member lower house was suspended in 1974 when the Arab League, at a summit meeting in Rabat, Morocco, recognized the Palestine Liberation Organization as the sole legitimate representative of the Palestinians.

The Rabat resolution put the Jordanian parliament in an awkward situation. Half of the lower house's members represented constituencies in the Israeli-occupied West Bank of the Jordan whose fate, in Arab eyes, had become the responsibility of the PLO and no longer of Jordan.

The members had won their seats for a four-year term at direct elections in 1967 — just two months before the Arab-Israeli war leading to Israel's conquest of the West Bank.

King Hussein then suspended the house and, three years later, replaced it with a National Consultative Council, whose members he appointed in place. Members of the upper house of parliament, or senate, also are appointed by the king.

But, over the years, six West Bank and eight East Bank lower house seats fell vacant as their incumbents died.

"Parliament's members began to decrease and fears grew that there was no constitutional action possible to redress the balance," said Ahmed al-Lawzi, speaker of the senate and a former Jordanian prime minister.

The dilemma was resolved in January 1984, when King Hussein issued a royal decree calling both houses into session and disbanding the Consultative Council.

Parliament then amended the constitution to authorize by-elections in the five East Bank

provinces. The 54 deputies were then given the task of appointing six new members from the West Bank.

Mr. Lawzi stressed that competition for the vacant West Bank seats was intense, with as many as 30 candidates for one of them.

"The West Bank was occupied; it was impossible to hold elections there," Mr. Lawzi said. "But excluding it from parliament would serve the interests of the occupiers."

Mr. Lawzi and other officials said that the appointment of West Bank members did not detract from Jordan's recognition of the PLO's authority over West Bank Palestinians.

One Jordanian official, himself from the West Bank, said: "They are representatives from the West Bank, not of the West Bank."

At the time of King Hussein's move to reconvene parliament, political analysts speculated that he had done so mainly to enable Jordan to take the initiative toward a peaceful settlement of the Middle East conflict.

In 1983, talks between the PLO and Jordan to find a common negotiating position broke down, leaving the two main Arab participants in any future peace moves without a coordinated Western stance, according to their attitudes toward our cause."

Political observers viewed the king's decision to reconvene parliament as a means of gaining support from West Bank and Gaza Palestinians.

Such motives were denied by the then prime minister, Mudar Badran, who said that the recall of parliament was purely an internal move to revive democratic institutions of the East Bank.

If King Hussein ever did have such plans, they are presumably now in abeyance, since he and the PLO chairman, Yasser Arafat, signed an accord on February 11 this year establishing a joint position on peace negotiations.

At the time of parliament's recall, two possibilities were offered for eventual general elections. One, considered the more likely at the time, was for general elections throughout the East Bank within one year. The other was for parliament to serve a full four-year term until January 1988 before a new poll.

Mr. Lawzi said this month that the parliament would not seek to renew its mandate until it had sat for four years.

The by-elections that followed the recall were

Jordan's first elections to a national institution for nearly 17 years.

For the first time, women were able to vote and 43 percent of the electorate turned out.

Political parties were not allowed, but Mr. Lawzi said, the field of candidates amply represented Jordan's "political trends."

In three of the eight seats, Moslem fundamentalists scored victories, and an Arab Nationalist, inspired by the ideas of the late Egyptian leader Gamal Abdel Nasser, won a fourth.

When Mr. Rifai, a proponent of free enterprise, faced his confidence vote on April 29, five Moslem fundamentalists and one Arab Nationalist voted against his government's program. Six other members were absent, which left Mr. Rifai with 48 votes in favor.

One intervention against Mr. Rifai came from Riad Nawayseh, who, according to the official Jordanian news agency, Petra, criticized the Jordanian-Palestinian accord and the peaceful settlement issue. He asked for relations with the Islamic and nonaligned nations to be bolstered and for a reconsideration of relations with Western states, according to their attitudes toward our cause."

Riad Nawayseh, the agency added, also requested "that the security forces confine themselves to serving the public and the homeland."

The Jordanian national assembly is, Mr. Lawzi said, the country's "third authority" — after the monarchy and the cabinet.

It functions in a classic parliamentary fashion. Laws may be proposed by the government or by individual members of parliament. Once drafted, they go before the relevant parliamentary committee, such as the finance or foreign affairs committee. The committee then makes a recommendation to the lower house as to whether the parliament should accept, reject or amend the draft.

Once a law has passed the lower house, it is sent to the upper house. If the upper house disagrees with the lower house or wishes to make further amendments, a joint session of both houses is held. A draft can then only be voted into law if the joint sitting approves it with a two-thirds majority.

— JULIAN NUNDY

Hussein Makes Rounds for Peace Effort

(Continued From Previous Page)
The PLO was recognized by an Arab League summit meeting in Rabat, Morocco, in 1974 as the sole legitimate representative of the Palestinian people.

Israel steadfastly refuses to deal with the PLO until it explicitly recognizes the Jewish state's right to exist. Former Secretary of State Henry A. Kissinger promised Israel in 1975 that the United States also would never deal with the PLO until it recognized Israel's right to exist, renounced terrorism and accepted the Security Council resolutions 242 and 338 on the Middle East.

The main thrust of current Jordanian moves to persuade the United States to soften this stand and at least be willing to deal with Palestinian personalities that Mr. Arafat feels can represent his ideas.

"Why is this statement of our friend Kissinger so sacrosanct?" asked an official at Prime Minister Zaid Rifai's office. "It took Mr. Kissinger a year of secret negotiations in Paris with the Vietnamese to get peace under way. And the United States was really at war with them. I don't see why if the United States shouldn't be able to talk with the PLO."

Jordan restored diplomatic ties with Cairo last September after a five-year break over Egypt's peace with Israel. Jordanian officials say that President Hosni Mubarak is pushing King Hussein to deal with the Americans in the hope of finding a way to a peace conference through Washington.

For this to work, any Palestinian delegates to talks with the United States must be interlocutors who have not incurred Israeli odium.

One suggestion has been to talk to members of the Palestine National Council, the Palestinians' parliament-in-exile, some of whom are not in the PLO itself.

Israel's reaction has not been clear. Members of Foreign Minister Yitzhak Shamir's Likud faction have rejected the possibility outright, while Prime Minister Shimon

Perez's labor alignment has been more flexible.

U.S. diplomats in Amman stress what they consider is the independence of the council from the PLO, and other Western officials point out that the United States has dealt with some of its members for years.

A number of council members, such as Edward Said, professor of English literature at Columbia University, hold U.S. nationality, which could smooth some diplomatic wrinkles. Even if the United States does sit down with Palestinian representatives, however, Jordanian officials point out that it will only be for talks about talks, not for the start of actual peace negotiations.

"If we lose this chance, we will try again to be more than a political movement; maybe it will

be worse than over the last 20 years," he said.

In assessing the chances of King Hussein's initiative, officials point to a number of factors that they say could have a positive influence.

As far as Israel is concerned, the positive aspects in Jordanian eyes are headed by the presence of Mr. Perez as prime minister. His approach is less confrontational and more conciliatory than that of his Likud predecessors, Mr. Shamir and Menachem Begin, Jordanian sources say.

In addition, the war in Lebanon gave the Israeli army the impression that it was "fighting a people, not regular armies," Mr. Abu Odeh said, giving Israelis a new view of regional realities.

Other elements considered favorable are the renewal of the U.S.-Soviet dialogue, with its tendency to ease tensions all over the world, and the "beginning of understanding among the higher U.S. echelons of the underlying potential danger

to their interests of the no-war-and-peace situation," Mr. Abu Odeh said.

But the unfavorable aspects noted by Jordanian officials are formidable. They included the composition of the Israeli cabinet, equally divided between Labor and Likud. They said the presence of right-wing Likud ministers would hamper any efforts by Labor to move toward the negotiating table.

Another major problem is the radical approach adopted by Syria, which is at loggerheads with both King Hussein and Mr. Arafat.

When the king invited Mr. Rifai, a former prime minister, to return to head the government last month, many observers saw the appointment as a sign that Jordan was willing to repair its poor relations with Syria. Mr. Rifai is known to have kept cordial relations with the Damascene leadership, but both Jordanians and foreigners in Amman say that there has been no sign of any overtture to Syria since he returned to the government.

There is little doubt that Syria, which sabotaged the Lebanese accord on Israeli withdrawal from Lebanon two years ago, would do its utmost to upset any initiative toward an overall Middle East settlement that did not include it as a full partner.

Publicly, both Jordan and the PLO insist that any solution must be global and, therefore, must include Syria. They say that the eventual aim would be to convene a peace conference under the auspices of the United Nations Security Council.

Some diplomats in Amman still express guarded optimism. One, whose brief is to watch the PLO, predicted that there would be tangible progress by October.

Whatever the outcome, King Hussein has committed himself to the process, putting Jordan on the center-stage of Middle East diplomacy in what he feels is a make-or-break effort to preserve Arab moderation.

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Banking Sector Awaits Upturn In the Economy

By Iain Jenkins

LONDON.—The Jordanian banking sector is being hit by the slowdown of the economy and Central Bank regulations that are being put into lending margins. This was reflected by a sharp fall in profits for nearly all the banks in 1984, which is expected to be repeated this year.

At the same time, uncertainty about the regulations affecting foreign banks following the scrapping of indigenous banking is unsettling many bankers. But it is hoped that the new government of Prime Minister Zaid Rifai will lift the economy and assist the strained banking system.

The dip in economic growth to 4 percent in 1984, compared with 8 percent for the past decade, has seriously reduced banking activity and eroded profits. Only the largest local bank, Arab Bank, substantially increased profits in 1984 and this was largely due to exceptionally high provisions in 1983.

The profits of the other eight Jordanian banks fell by 12 percent to 13.3 million dinars (\$34 million) in 1984, and the seven smaller international banks recorded an 18-percent slide in profits, to 3.1 million dinars. And Grindlays Bank made a sizable loss for the second year running.

Bankers blame the Iran-Iraq war and the fall in official aid from the rich Gulf Arab states for the economic downturn. On top of this remittances from Jordanians working in the Gulf have fallen sharply. This has cut the growth of bank deposits as well as affecting the economy.

The rigid interest-rate structure, which has reduced lending margins to only 1½ percent, has contributed to the difficulties facing bankers. Central Bank restrictions place a 10-percent ceiling on bank lending at the same time as increasing the costs of funds by setting a minimum rate for deposits of 8 percent.

Michel Mati, deputy general manager of the Bank of Jordan, said: "The interest-rate system means that banks cannot distinguish between top-quality borrowers and high-risk borrowers." He added that he would like to see a flattening of interest rates.

Mohammed Said Nabulsi, the

governor of the Central Bank of Jordan, is not unsympathetic to this view: "In principle, we would like to see interest rates deregulated... but the evidence is that it would lead to interest rates spiraling upward."

Some bankers also complain about a liquidity squeeze that is straining their lending ability. This comes at a time when many banks have reached their lending limits of 70 percent of total deposits.

The squeeze has been caused by a tightening of monetary policy—with money supply growing by only 1 percent in 1984. Bankers say that Central Bank rules forcing banks to tie up a proportion of their capital and deposits in local shares on the Amman stock market and in Treasury bills has compounded the problem.

But Mr. Nabulsi said: "The word liquidity has been abused in Jordan... It is used by many banks simply as an excuse for not lending."

He added that relaxing the money-supply would stimulate inflation and that banks can refinance bonds with the Central Bank to ease any liquidity squeeze.

The result of the liquidity squeeze and the tight lending margins has been a fall in lending to the construction and transport sectors, particularly to small private-sector borrowers. This has been accompanied by an increasing emphasis on the safety of state-owned corporations, sovereign lending and government-guaranteed loans. Government debt is also tax exempt, which makes it more attractive.

Foreign banks have had their problems exacerbated by uncertainty about regulations affecting them. One of the first moves of the new government in mid-April was to scrap the policy of indigenous banking. This had obliged international banks in Jordan to become 51-percent Jordanian-owned.

Chase Manhattan's local manager, Steve Cryser, said he was "absolutely delighted" that the indigenization clause had been lifted. The six other international banks—Grindlays, Citibank, the British Bank of the Middle East, Bank of Credit and Commerce International, Rafidain Bank and Bank al-Mashreq—also welcomed the move.

But the foreign banks now fear that they could fall afoul of another



Customer service at the Jordan Investment Bank.

Despite Drop in Reserves, Economy Keeps Its Balance

(Continued From Page 7)
International hairdressers in response to a complaint in the local press by a government employee about his wife's hairdressing bills.

A sharp, decisive break was needed. In recalling former Prime Minister Zaid Rifai, a staunch advocate of the private sector, King Hussein signaled a change of tack.

The new administration intends to exploit the breathing space provided by the country's good credit by bringing the private sector back into the center of wealth-generating, relying implicitly on it to regenerate the economy and limiting its own role to providing the right environment in which the private sector can marshall its skills, resources and capital.

The private sector's initial response to the new government has been positive and enthusiastic. Even when the drain on reserves was most acute there was little flow of capital out of Jordan. Now, the stock exchange seems poised for a slow, sustained recovery judging by the way daily trading volumes have been picking up.

The new trade, supply and industry minister, Rajah Musbher, wants the private sector to take over the public sector eventually. But it is felt that he will have to tread warily initially, keeping confidence buoyant by making changes where changes can be quickly made, without compromising his options in developing a long-term strategy.

The process of consultation with the private sector is well established. The new economic team has met with all the main bodies representing the private sector, and the first moves to sweep back the public sector have been made. The encouragement of Investment Law is to be refined and modified, offering even more inducements to investors. The state-run agricultural marketing company is to lose its franchise, enabling farmers to sell their produce independently, and the Ministry of Supply has lost its monopoly to sell apples.

The indigenization clause stipulating that foreign banks be at least 51-percent Jordanian-owned has been lifted, days after the Central Bank's governor, Mohammed Said Nabulsi, who instigated the program left the country for medical treatment. Mr. Nabulsi's 12-year tenure as governor has helped the Central Bank to become a major force in financial policy-making—

—to strong for his critics who feel that by appropriating the functions of the Finance Ministry the Central Bank has contributed to the contradictions and indecision in fiscal and monetary policy-making.

Mr. Nabulsi's stewardship has guided the remarkable growth of preferential credit treatment for the public sector, a preference the private sector is pressing hard to have redressed, and he has been criticized for making the recession worse by his dogged adherence to tough monetary targets. Although the growth in current expenditure has been kept to a creditable 2 percent a year, the government has

more or less in balance by cutting capital expenditure by 5 percent a year over the past three years. The 1981-85 five-year plan is, therefore, likely to be 30 percent underspent. Growth rates have halved from 8 percent since the beginning of the decade and the preliminary estimate for 1984 is 3.5 percent.

Four percent is probably the most that the economy can manage with even, balanced growth over the next five years. Analysts will be watching to see whether the new government lowers its sights to more realistic growth rates when formulating the 1986-90 five-year plan.

They also will be looking to see how far the new, upgraded Ministry of Planning will be able to implement an integrated plan. Ineffective planning is blamed for many of the shortcomings of the current five-year plan and for inefficient use of resources.

But they face a dilemma in falling growth rates. The population is increasing at 3.5 to 5 percent a year and the demand for jobs is growing at 6 percent. The World Bank estimates that Jordan will be able to find jobs for less than half the people coming on the job market even if the economy grows 5 percent a year.

There is some absorptive capacity if Jordanians were prepared to take jobs currently done by expatriates. There are from 110,000 to 120,000 Egyptians working in Jordan alone. The authorities are tackling the problem by introducing a

(Continued on Next Page)



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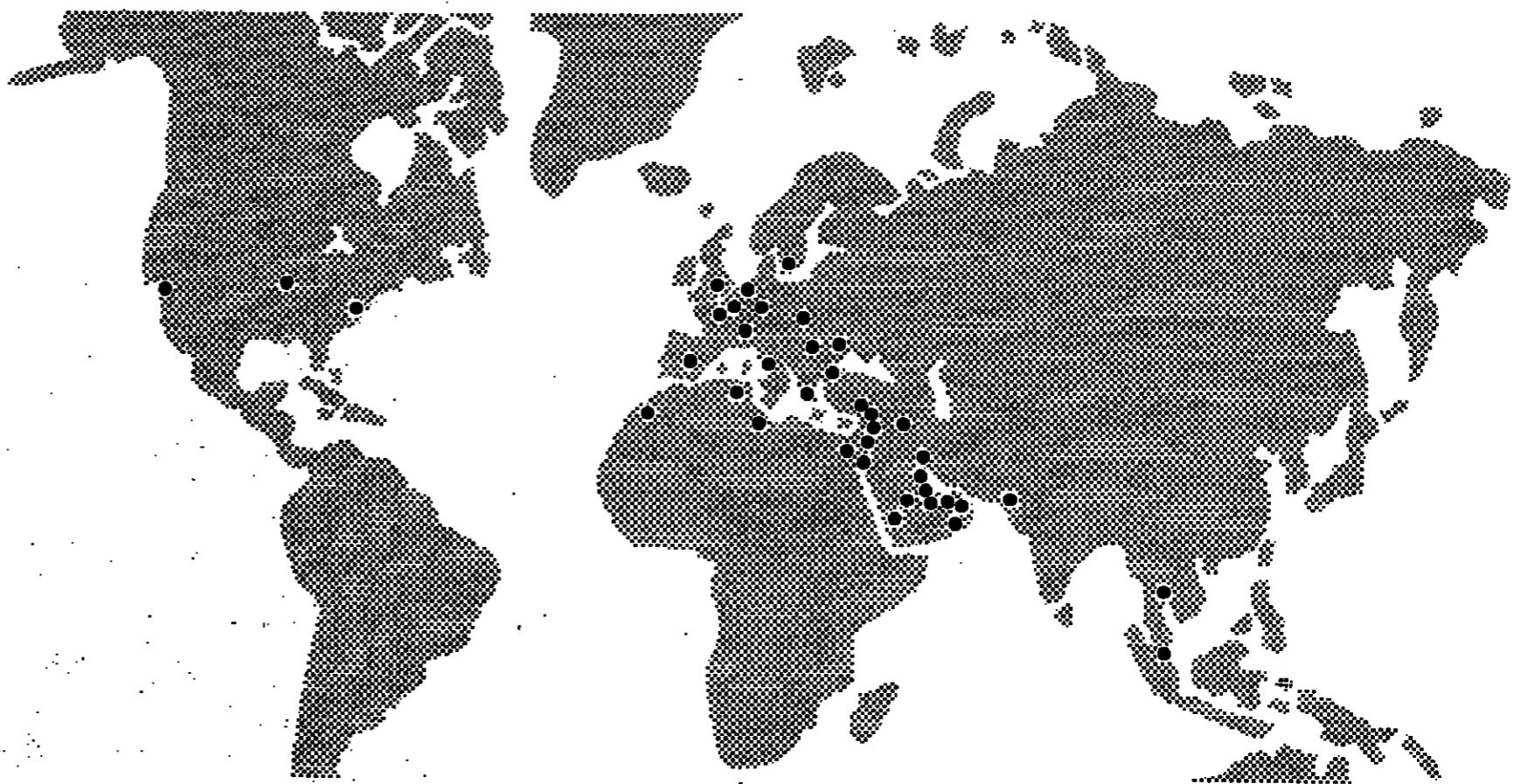
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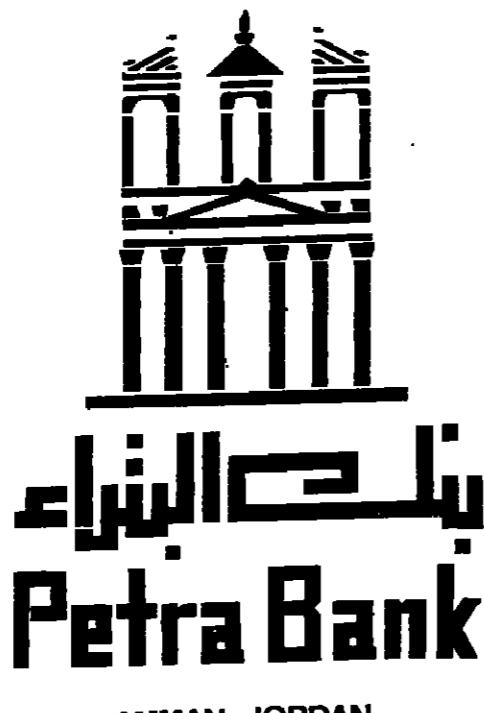
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A SPECIAL REPORT ON JORDAN



A government housing project under construction surrounds a tent at Abu Nussair.

Peace Initiative Depends Upon U.S. Acceptance

By Scott MacLeod

LONDON — In the past six months King Hussein and Yasser Arafat, chairman of the Palestinian Liberation Organization, have forged their closest political alliance with the aim of starting peace negotiations with Israel. Their partnership is in striking contrast to "Black September" in 1970, when King Hussein and Mr. Arafat fought a war against each other.

Jordanian and PLO officials believe the alliance is very delicate, however, and could break apart if their "olive branch" does not get a positive response from Israel, or from the United States, Israel's main backer and a traditional broker in the Arab-Israel dispute.

The expression of the alliance is the agreement signed on February 11 by King Hussein and Mr. Arafat. It says that they have chosen to "move together toward achievement of a peaceful and just settlement of the Middle East crisis." Among the objectives of the prospective joint Jordan-Palestinian negotiation team is an exchange: the "total [Israeli] withdrawal from the territories occupied in 1967 for a comprehensive peace as established in United Nations and Security Council resolutions."

King Hussein and other moderate Arab leaders contend that this amounts to PLO acceptance of the key Resolution 242, which calls on the Arabs to give Israel peace in return for Arab lands captured in the 1967 war.

They have asked the United States to reward the PLO — through such gestures as ending the U.S. diplomatic boycott of the organization — and thereby stimulate the peace process. But American as well as Israeli officials voice skepticism of the February 11 agreement. They point out that senior PLO officials have offered differing interpretations, and that it still falls short of their demands for the PLO to unequivocally acknowledge Israel's existence and renounce terrorism.

"If it becomes the conviction of the Palestinians that there is no possibility of progress at all, then they may decide there is no reason to continue working with us in exploring different

approaches to peace," said a high-ranking Jordanian official who asked not to be identified. "The Palestinian moderates will be weakened, and the hardliners strengthened."

Supporting this view, a PLO official said: "We are waiting for King Hussein to meet with President Reagan. [The talks are scheduled for Washington May 27.] If the Americans do not adopt a more positive attitude [toward the PLO], then everything will be re-evaluated."

Jordan thinks a breakdown of its alliance with the PLO could have dangerous consequences. King Hussein feels the Palestinian issue is Jordan's biggest problem — and a bigger problem for Jordan than any other Arab state — considering how the affairs of Jordanians and Palestinians are intertwined. Thus, King Hussein has emphasized that a Jordanian-Palestinian alliance may be essential for successful Middle East peace negotiations.

But simplistically, Jordan's "Palestinian problem" is the West Bank, the Biblical land, which has great strategic significance today. Israel seized it from Jordan 18 years ago, but many Palestinians demand the establishment of an independent state there.

The West Bank, consisting of about 2,000 square miles (5,152 square kilometers) inhabited by 800,000 to 1 million Arabs, is sandwiched between Israel proper and Jordan. Until its future is peacefully resolved, Jordan does not feel it can rest easily.

Palestinian Arabs began substantially integrating with the largely bedouin population of Jordan following the 1948 war in Palestine. After Israel won independence as a Jewish state, Jordan's King Abdullah absorbed the uncaptured territory in Palestine into his own realm, which until then included land only on the East Bank of the Jordan River.

As many as 60 percent of Jordan's 2.5 million citizens are of Palestinian origin, not including the people of the West Bank who despite the Israeli occupation continue to hold Jordanian passports. There are 750,000 people residing in Jordan who are registered as refugees from

Palestine with the United Nations. A third of the refugees live in camps.

Palestinians have come to play an important role in Jordanian politics and society. Half of the present Cabinet are Palestinian Jordanians, including the foreign minister, Taha al-Masri. Palestinians are greatly involved in business and commerce, notably the banking sector.

Many Palestinians in Jordan openly support the PLO and would like to return to their former homeland while at the same time they feel a loyalty to King Hussein for the stability and relative prosperity he has brought to the country.

Previously rocky relations between the monarchy and the guerrilla organizations — which underscore the fragility of the present Hussein-Arafat alliance — were rooted in historical divisions between Jordan and Palestine as well as opposing ideas on how to deal with Israel.

King Abdullah was assassinated in 1951 by a suspected Palestinian nationalist. His grandson Hussein, then 15 years old, was at his side and narrowly escaped the gun attack.

The growth of a revolutionary Palestinian liberation movement in the 1950s and 1960s posed a threat to some Arab regimes, including the Jordanian monarchy. Israel responded to terrorist attacks by hitting its Arab neighbors. Palestinian militancy was fueled by the formation of the PLO in 1964 and then Israel's humiliating defeat of the Arab states in the 1967 war. In 1970, the PLO tried to overthrow King Hussein.

The "Black September" crisis started when one of the most radical guerrilla factions, the Popular Front for the Liberation of Palestine, hijacked three passenger airliners and flew them to the Jordanian desert. Ostensibly the purpose was to hold the passengers hostage until Palestinians were freed from Israeli jails. But it became evident the Popular Front wished to provoke a crisis with which to destabilize the Jordanian regime.

King Hussein ordered his tough bedouin

(Continued on Page 13)

U.S. Shifting Its Role in Bid for Peace in Region

(Continued From Page 7)
that war and the diplomatic aftermath, a war that was catastrophic for Jordan.

The June 1967 war began in a wave of Arab nationalist fervor, led by President Gamal Abdel Nasser of Egypt, who seized the world's attention in April and May of that year by expelling United Nations forces from the Sinai, where they had served as a buffer with Israel, and closing down Israeli access to the port of Eilat.

It is still debated by historians whether Mr. Nasser, who was goaded into action by the Soviet Union and Syrians, knew what a risky course he was embarking upon. The Israelis struck suddenly in response to these provocations and in six days captured the entire Sinai and the Egyptian-controlled Gaza Strip, as well as the Syrian Golan Heights. King Hussein, fearing he could not stay out of the war, disregarded Israel's warnings and entered the fray. The result was the loss not only of the West Bank of the Jordan (which Jordan had occupied since the United Nations partition plan of 1948) but also the end to Arab control of East Jerusalem. The Israelis quickly incorporated the Old City into the Israeli part of Jerusalem.

In the aftermath of that war, Washington took the lead in working out a diplomatic formula once and for all ending the cycles of war in the Middle East. The ultimate result was United Nations Security Council Resolution 242 of November 1967 that in effect called on Israel to return the lands it had just occupied in return for secure and recognized borders. King Hussein, who had been humiliated by his loss of East Jerusalem in particular, seized on Resolution 242 as the way to recover his lands.

But despite the readiness of some Israeli leaders and of King Hussein to negotiate on the basis of 242's formula of "land for peace," the other Arabs rejected negotiations. And the Israelis were never willing to give up East Jerusalem and they were ambiguous about the return of the West Bank. The result was long years of stop-and-start diplomatic efforts, usually pushed by the United States. Not until Anwar Sadat became Egypt's president did an Arab leader come forth to negotiate by himself with Israel. As a result, he recovered the Sinai for Egypt in return for peace as the result of the Camp David accords of 1978.

The Reagan administration, try-

ing to revive the peace process in 1982, proposed a plan based on Resolution 242 and Camp David, which to meet King Hussein's special needs, called for new negotiations, leading to autonomy for the 1.3 million Palestinians in the West Bank and negotiations leading to an association between the West Bank and Jordan. King Hussein solidly endorsed such a plan, but the PLO, committed for so many years to the concept of an independent state and wary of Jordan after the bitter fighting of 1970 that led to the expulsion of Palestinian military units from Jordan, did not agree to the plan.

The United States, embittered by the developments in Lebanon that led to a collapse of American diplomatic efforts, had, in effect, put the Middle East aside when King Hussein in late 1984 began trying to renew interest in peace talks. He allowed the Palestine National Council, the parliament for the PLO, to meet in Amman, and on February 11, 1985, he and Mr. Arafat signed an agreement calling for negotiations in an international format on "land for peace." The Jordanians and Palestinians would be in one delegation, and they would agree to accept all Security Council resolutions, but did not

explicitly state its agreement to 242.

In addition, the Jordanians proposed as a goodwill gesture that Washington receive this joint delegation. Washington had problems with the formula but was otherwise encouraged by the initiative taken by the Jordanians. The American concerns were these: The U.S. has a long-standing pledge to Israel not to negotiate or even deal with the PLO until that group explicitly recognized Israel and accepted Resolution 242 and a follow-up one, 338 of 1973. Secondly, Washington did not like the idea of an international

(Continued on Page 14)

Economy Keeps Balance Despite Drop in Reserves

(Continued From Previous Page)
pre-secondary school examinations that rigorously screens pupils according to vocational and professional demands.

The government, meanwhile, aims to place as much of the investment burden as possible on the private sector, which is being asked to provide half of the industrial investment in the new five-year plan. Self-sufficiency in agriculture is being encouraged too — Jordan imports 60 percent of food — as are industries that use indigenous raw materials instead of imports.

On the diplomatic front the government is likely to press Saudi Arabia to delay settlement of its oil bill — Jordan buys all the oil not acquired from Iraq at OPEC prices and the oil bill was \$606 million last year — and restate its commitment to underwrite aid contributions from the Emirates and Qatar. Oil finds on the Iraq-Saudi-Jordanian border are being played down for fear they might jeopardize aid payments. The prospecting, being undertaken by Romania, is in a geologically difficult area, the investment is small and the technology dated.

In the absence of a comprehensive Middle East peace, Jordan has little choice but to continue fulfilling its political and economic obligations and shouldering the burden of a 100,000-member standing army, which takes up more than 30 percent of government revenues.



Inside the Dar Al Dawa pharmaceutical plant near Amman.

Tourism begins to With Long

Tourism Industry Begins to Expand With Longer Season

AMMAN — Traditionally, Jordan's tourist season begins to wind down soon after Easter, but the Alia, Royal Jordanian Airlines, Boeing 747, on its way to Amman a few days ago was booked solid with French and English tourists.

The longer season and the wider mix of activities — other than the conventional visits to Petra, Jerash and the crusader castles — now offered is a sign of the growing confidence and expanding horizons of Jordan's tourist industry.

The changes have, to some extent, been dictated by necessity. Tourism, like other sectors of Jordan's economy, is highly vulnerable to external circumstances and shifting market patterns.

Amman's hotel industry, in particular, has been hit by the economic slump of the last two years. Many hotels in operation are facing an uphill struggle to break even while a few that were due to come on stream have been mothballed or their completion has been delayed.

However, the disappointing tourism revenue figures, which show a drop of 12 million dinars (\$30.36 million) to 172.3 million dinars in 1984 and a continuing decline as a percentage of gross national product from 13.15 percent before 1981 to a current 10 percent, paint a deceptive picture for they include revenue collected from all nonresident sources.

Arab nationals made up nearly 80 percent of the 1.59 million foreigners that entered Jordan in 1984. Of these, Syrians accounted for almost a quarter and Egyptians one-half.

A fall of more than 10 percent in the number of Egyptians transiting Jordan to work in Iraq or the Gulf and visiting Syrians accounted for most of the 8-percent drop in arrivals in 1984.

Business travel, which has a direct bearing on tourist facilities such as hotels, also was sharply down. There also was a decline in tourist business from North America, but this was offset by a rise in European business, especially package tours, which are the core of trade with Europe.

How to find new business and achieve a better utilization of existing resources is the authorities' main preoccupation and has focused attention on the need for greater coordination between the private and public sector.

Part of the industry's problems stem historically from the loss of identity that followed Israel's seizure of the West Bank in 1967. The loss of the lucrative, undemanding Holy Land tourist trade hurt the private sector and left the government to shoulder most of the burden of development in the 1970s alone.

It is not surprising, therefore, that the state has assumed a dominant role in the industry — so much so that even in Amman and Aqaba, where private sector investment has been confined, the state has played a leading part in financing and developing big hotels.

The private sector has contributed about half of the 200 million dinars put into the tourist industry since 1973, but mainly in peripheral activities.

Since 1980, the Tourism Authority has been developing a marketing strategy to give the tourism industry a clearer profile. Distinct areas of tourism have been defined:

the archaeological sites and antiquities, Amman as a business center and a gateway to the Middle East, Aqaba as a winter and increasingly year-round resort.

A program of resthouse construction has been instigated and a company set up to develop the mineral hot springs at Zarqa Ma'in.

In addition, the government has allocated funds for the development of Wadi Rum, the desert valley immortalized by T.E. Lawrence in "Seven Pillars of Wisdom," by commissioning the University of Florence to study rock inscriptions and hiring a mountaineering group to devise a rock climbing program.

The Tourism Authority has been promoting two-stop holidays taking advantage of Jordan's strategic position in relation to other regions and tourist centers. Two-stop tours have been arranged with Syria, the Holy Land, Egypt and even the two Yemenies.

The recent opening of the Nuweiba-Aqaba ferry expands the whole of Sinai for Aqaba-based tourism, particularly the superb scuba diving off Ras Mohammed and the monastery of St. Catherine.

However, it is not yet clear whether the ferry, which will cater primarily to Egyptian expatriates returning home overland, will have sufficient facilities to attract tourist traffic on the three-hour crossing. Aqaba still needs considerably more investment if it is to become fully competitive with nearby Eilat, in Israel, which has been an outstanding success as a beach resort. The main handicap is price. Package tours to Eilat cost a fraction of the tours to Aqaba mainly because foreign tour operators can fly directly to the Israeli resort, whereas all incoming air traffic to Jordan has to pass through Amman.

The state airline, Alia, is acknowledged to have done a good job in promoting Jordanian tourism, but its interests and those of the industry often are in direct conflict, as the airline does not fly to tourist areas.

The 1986-90 five-year plan, which is being drawn up, will put greater emphasis on marketing, says the Tourism Authority's marketing director, Ahmed al-Bahri.

It is an emphasis that Munir Nassar of Intercontinental Traders Travel Co. welcomes. In his view, a good start has been made over the last three or four years to coordinate marketing between the ministry and travel agents. But he thinks that the ministry should take a much more assertive role in marketing.

The first priority is getting higher occupancy rates in Jordan's 12,000 hotel rooms. Mr. Nassar said that he thinks that demand in Amman is gradually catching up with supply and, "providing they don't start another 300-400 room hotel," things should start looking up in 1986-87.

The statistics bear him out. Hotel bookings are running 20 percent ahead of this time last year, and tourism is consequently expected to bring in 190 million to 200 million dinars in the current year. But it is a measure of the competitiveness of the international tourist market and how vulnerable Jordan's position is that this is about one-third less than the 280 million dinars in revenues envisaged for 1985 in the 1981-85 five-year plan.

— ALAN MACKIE



The gold market in Amman.



An Amman shopowner and his wares.

Zarqa Ma'in Hot Springs Resort Needs New Head of Steam

ZARQA MA'IN — In the cavernous skeleton of the main hotel, a Saudi tourist was enjoying a picnic with his family, his Range Rover parked in the lobby and the debris of his meal strewn over tables of sophisticated equipment waiting to be installed. It was the only sign of activity at Zarqa Ma'in, an arid gully reached by a tortuous 15-kilometer (9.2-mile) drive through the foothills of the Dead Sea, where the Middle East's first full-fledged thermal spa is being built.

Zarqa Ma'in has been renowned for its hot springs since Biblical times. King Herod is reputed to have bathed there and today, tribesmen come from hundreds of kilometers around to avail themselves of its curative powers.

It was to profit from this regional popularity that the Jordanian government decided five years ago to develop the springs as a resort. It planned a general recreational area with picnic grounds, camping site, swimming pool, thermal baths and holiday chalets, and a 142-room hotel with its own sports and medical facilities to cater to a wealthier clientele.

A government-controlled company, the Jordanian Tourism and Spa Complex Co., was set up in 1980 with a capital of 2.5 million dinars (\$6.3 million) to finance the project and the Industrial Development Bank provided 3 million dinars in loans. Soon after, Al Habtoor Contracting Co. of Dubai was appointed general contractor.

Work on the project was under way when the management contract was awarded in December 1982 to a local company, Nahib Nazzal and Sons, in conjunction with the Belgian fast-food group, Restobel, which set up a joint venture, Middle East Tourism Services and Management Co. (Metma). They brought in Spanish thermal baths specialists, as technical assistants, and the Belgian connection was further strengthened by the award of the contract for the fixtures and fittings to SRZ International on the back of a promised 2-million dinar Belgian government credit.

It was clear from the outset that the project was undercapitalized, but work continued until mid-1982, by which time the main contractor was owed nearly 700,000 dinars. Then the Jordanian authorities refused to renew the work permits of the 150 Indian and Pakistani laborers and the project began grinding to a halt. However, it was the flash floods of last October that provided the coup de grace, leaving a trail of destruction and a bill for damages estimated at between \$500,000 dinars and 1 million dinars.

With the project inadequately insured, it was still to be determined who is responsible for paying the bill. A further 300,000 dinars will have to be found for flood-protection measures.

There matters rest, the springs continuing to work their spell on visiting Saudis and Kuwaitis, who seem indifferent to the devastation.

Daniel Philippart, the general manager of Metma, believes the project is so far advanced that the government cannot afford to write off the 5.5 million dinars already spent. He thinks Metma's recommendation to double the capital to 5 million dinars, with the increased leverage this would provide to raise credit, plus the 2 million dinars the Belgian government has

agreed to supply, should be sufficient to cover the 12 million dinars the project now is expected to cost.

Mr. Philippart has nailed down a contract with the Munich-based health-tours group, Med Tours, which will guarantee the project's viability. Med Tours has signed an undertaking to book 50 rooms year-round and would like to take 100. It is even prepared to invest 1 million Deutsche marks in a small treatment facility on the Dead Sea project that is part of Metma's development plans.

The combination of the Dead Sea's topography, 300 meters (984 feet) below sea level, and the springs' minerals produces a unique cure for psoriasis, a nervous skin complaint common in developed societies.

The significance of the German deal is that it is to be financed by the state medical service. Mr. Philippart believes this could be the precedent for other European countries.

If the money can be found, Mr. Philippart said, the project could be finished in time for an opening next spring, a year behind schedule.

— ALAN MACKIE

Aqaba Expands as Resort And Hub of Shipping, Trade

(Continued From Page 7)

Nawar, acknowledges that he has no easy task but is optimistic that encouraging the private sector to invest in the city's development, by extending financial incentives and public services, will in the long run insure the success of projects. A plan to grant free-zone status to the whole city is pending but amendments to facilitate import procedures and to encourage trade are on the way and are expected to attract business and industry to Aqaba.

Attention also is being given to the port area, which is gradually becoming more organized. Hurdled erected warehouses and temporary fixtures such as floating berths — bought to deal with the surge in transit trade to Iraq as a result of the Gulf War — are being replaced with new permanent facilities to cope with changing trends and increasing trade activity.

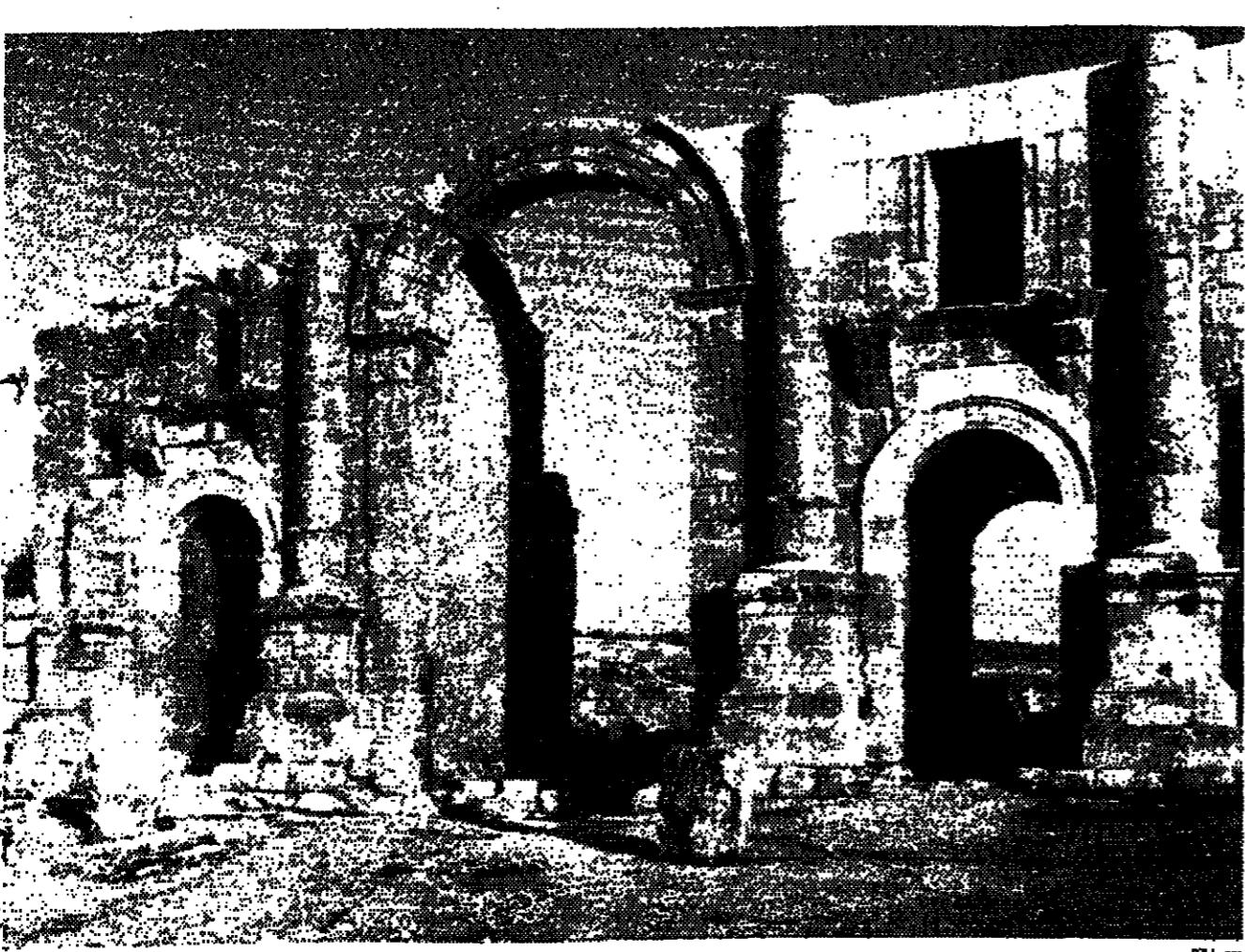
Although Iran curtailed imports as money supplies dropped, the legacy of the Iran-Iraq war has continued to shift trade from the Strait of Hormuz to the Red Sea; cargo han-

dled at Aqaba has been steadily rising from 60,000 tons in 1983 to more than 12 million tons in 1984, with total transit handling increasing from 163,265 tons in 1979 to 3.48 million tons in 1983.

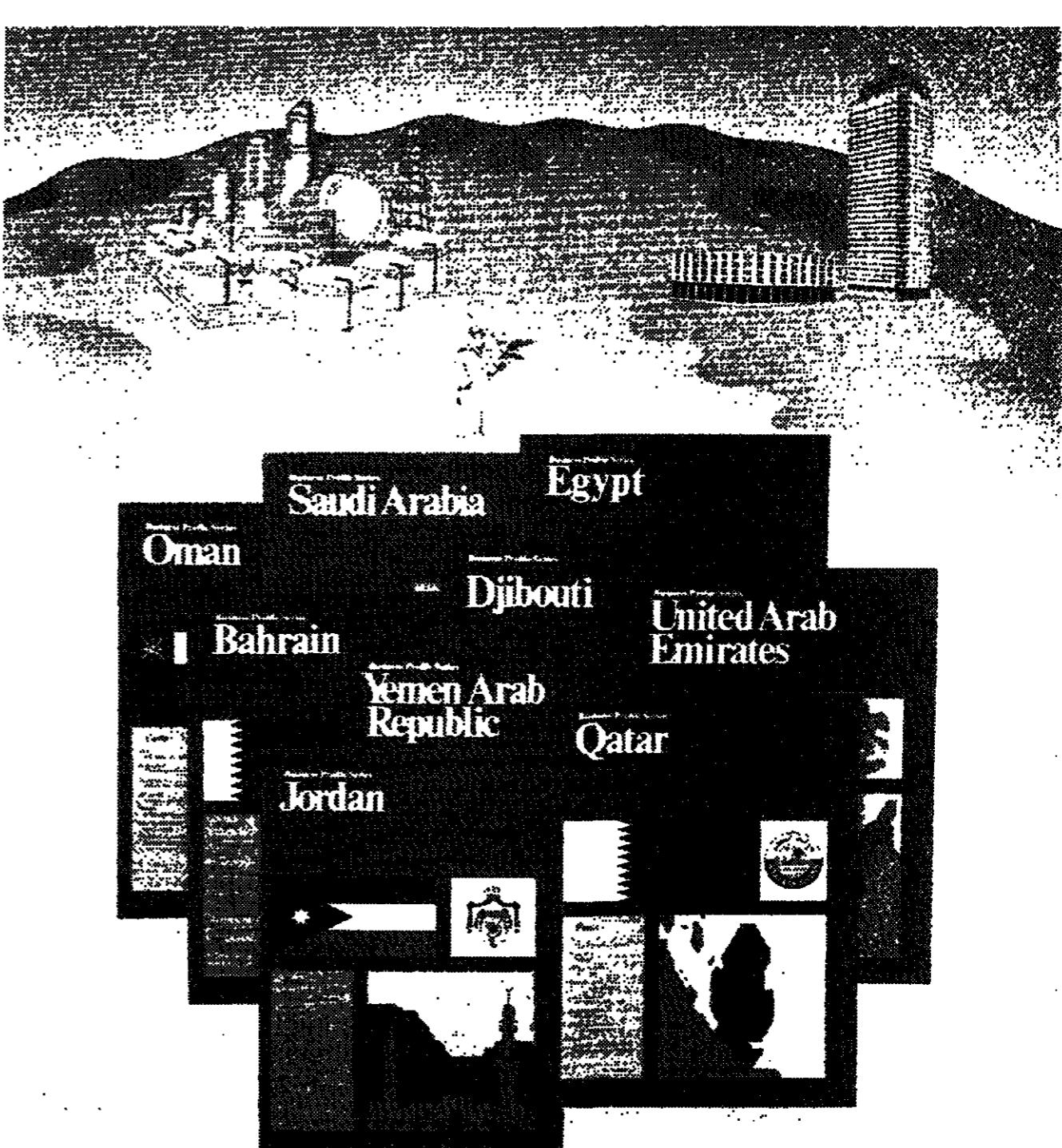
Container traffic through the port has risen dramatically, growing from fewer than 3,000 units in 1976 to more than 120,000 in 1984. A \$60-million container port with roll-on-roll-off berths, straddle carriers and gantry cranes went into operation in November 1984 and once the main container storage building is completed this year, Aqaba will be fully equipped to handle giant, third-generation container vessels, which are the future of global shipping.

New developments are under way to improve facilities for Jordan and the port's biggest export item, raw phosphate rock. Increasing production from the kingdom's three mines in the center of the country, coupled with a formula to partly pay suppliers and contractors with phosphates, have resulted in growing phosphate exports — rising at an average of 7 percent a year.

(Continued on Next Page)



The ruins at the ancient Roman city of Jerash.



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Barter Deals Give Industry Hopes for More Profits

AMMAN — Industry, like most sectors of the Jordanian economy, is feeling the effects of the recession, and it also is reaping the whirlwind of bad planning over the past five years. This is particularly the case in the larger state-controlled companies where production plans have been allowed to dictate the level of investment.

A wood-manufacturing plant, for instance, built three years ago never had the chance of making a profit against Eastern European dumping, while cement production has been increased well beyond the country's needs and the region's capacity to absorb. Goods and commodities have been produced for export markets that have not materialized, forcing the government into barter deals — principally with Egypt and Iraq — to place surplus production.

But barter trade can be a temporary expedient for a country like Jordan that can survive only by remaining internationally competitive. At best, it offers a breathing space for restructuring and nationalization. The emphasis, therefore, is on marketing — across the industrial spectrum — and on raising productivity and quality so that Jordan's products will be able to hold their own — if not in European markets — at least in the increasingly competitive regional ones.

Government help for industry through industrial estates and free zones, and especially the Encouragement of Industry Law, which offers regionally graded tax holidays and other concessions, is generous. Now, the government aims to boost industrial exports by improving overseas commercial representation and considering introducing export incentives.

Jordan has a fairly long history

Phosphate Profile (in thousands of metric tons)

	Production		
1984	1983	% change	
6,236	4,748	+32	
Exports	1984	1983	% change
4,695	3,688	+27	
Domestic sales	1984	1983	% change
975	631	+55	

Source: MEED/Fertecon, London.

Aqaba Expands as Resort And Hub of Shipping, Trade

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 year. Initial studies at the Shidiyah site in southern Jordan indicate that phosphate exports could rise to about nine million tons annually by 1990 once the mine is opened.

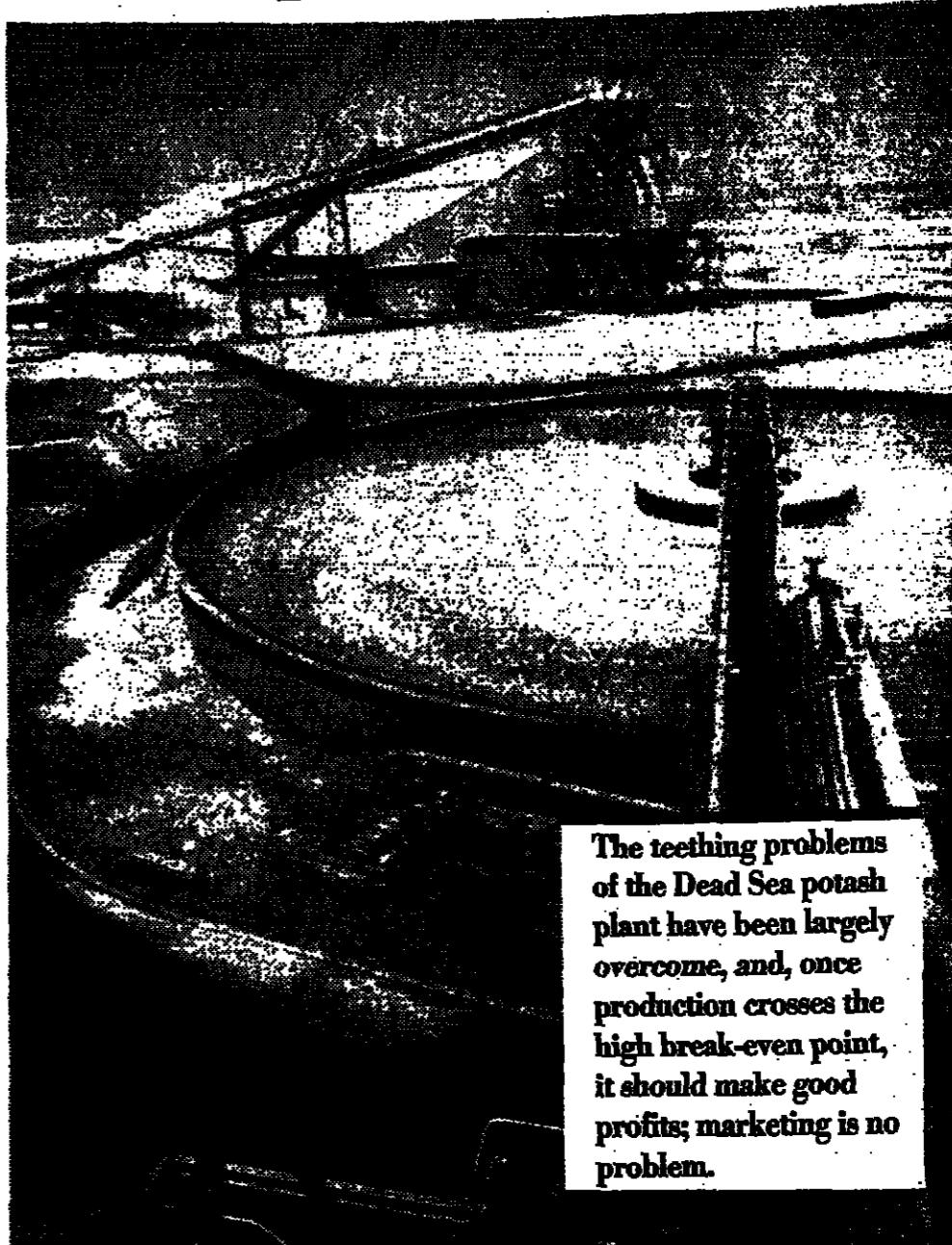
In anticipation of increasing exports, the Ports Corporation recently signed a contract for a new phosphate loading facility, Phosphate Berth C, with a capacity to handle 1,000 tons per hour. The project, expected to be completed by November of this year, will raise the phosphate export capacity of the port by from 1 million to 1.5 million tons.

Although Jordan has been reducing its imports of luxury goods, due to an increasing trade deficit, imports of basic commodities have been rising. In February 1985 the West German company Zeppelin won a contract to build a wharf south of the main port area to be used for importing and exporting oil products, chemicals and vegetable oil. The 3-million-dinar project, expected to be completed by August 1985, will enable large and medium vessels of 50,000 to 30,000 tons to dock at the harbor.

Grain shipments are big business for Aqaba at present as both Iraq and Jordan's grain production is down due to the war and winter drought respectively. Iraq — helped by U.S. government credits — will import a total of six million tons of grain in 1985, 3.5 million tons of which will be handled through Aqaba. A specialized floating bulk terminal can hold 400,000 tons of grain and is capable of loading 300 trucks at a time. Grain handling through the port this year is expected to earn Jordan \$14 million in port dues and a further \$100 million from trucking fees.

A \$20.75-million contract for the construction of a terminal to handle exports of Iraqi crude oil has been awarded to an international company and is scheduled to start operations by August. If a proposed \$1-billion pipeline from Iraq to Aqaba ever materializes it will link with the terminal and crude will be discharged directly into docked tankers.

However, problems remain in Aqaba's rapid port development — the organization of trucks for overland transport and road/rail transportation facilities. Long delays while appropriate lorries are found to transport cargo offset the advantage of no waiting time for ships to dock. Projects to improve the situation are included in both the Aqaba Region Authority and national five-year development plans. Upgrading the railway line and diverting heavy traffic from the center of Aqaba are priorities to further develop the city may put Aqaba on the map as a tourist resort and could serve as an example of how to maximize limited space.



The teething problems of the Dead Sea potash plant have been largely overcome, and, once production crosses the high break-even point, it should make good profits; marketing is no problem.

A potash refinery.

World Bank to help in identifying downstream industry from mining, and it is hoping that the 15-million-dinar foundry it is promoting in the Irbid industrial zone will form the basis of downstream engineering industries.

The Pension Fund is working with the Development Bank on wood, glass and carton-paper projects. It also has a number of other projects under study, including a pumps plant and a small-scale automobile tire factory. In both cases feasibility will depend on suitable technology and sufficient domestic demand to sustain the bulk of production. A sound domestic market base is a major criterion of investment viability.

The fund also has asked the

sector companies in need of urgent cash injections would go under if they lost their preferential treatment. Mr. Musasher favors joint ventures with raw-material suppliers where possible and barter deals for bulk products like cement and phosphates that are difficult to market.

For the first time, also, the fund is seeing how it can help smaller industries. The Chamber of Industry's role will be more in market and product promotion. With its debts paid up, it is in a much stronger position to financially develop its research facilities and to attend foreign trade exhibitions. It recently exhibited at the Bahrain-Trade Fair.

The chamber's most important task, however, will be in representing the private sector in its dealings with the government. At its first meeting with the new administration the chamber stressed the need for greater protection of local industry and for comprehensive review of regulations covering industrial licensing and tariffs. At present there is no consistency in tariff protection. Some products like bathroom fixtures, tiles, refrigerators and home appliances get 55 percent, while others none.

The chamber also asked for the removal of discriminatory preferences favoring the public sector and that it be brought more into the picture in industrial planning.

According to Isam Dbeir, the chamber's president, their ideas were well received. But in dealing with public-sector reform Mr. Musasher does not have much room for maneuver, and he will have to tread warily. Many ailing public-

sector plants at Aqaba, on the other hand, incurred a loss of 10 million dinars in 1984 because of the high price of feedstock sulfur.

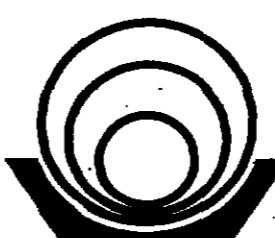
Of the 33 industrial companies that have produced their 1984 reports, 20 — almost half of the 44 quoted on the Amman Stock Exchange — have turned in profits.

Some, like the Paper and Cardboard Co., have been returning profits for a number of years, and now, comfortably housed, are beginning to expand. The company's chairman, Zuhair Asfour, is far from pessimistic. He maintains that the present recession is a painful shock to the private sector. "It isn't very drastic," he said. The local banking system has the resources for investments; the only thing lacking is "know-how, which can be bought through license or small joint-venture participation." "There are heaps of applications," he said for small and medium-size industries.

The buoyancy of the stock market since the new government came to power tends to bear him out. But much depends on whether the authorities can create, in the words of Bassam Saket, director general of the Pension Fund, "an image of continuity" after the traumatic chopping and changing of previous administrations. For its part the private sector has been left under no misapprehension that the ball is now in its court. If the Chamber of Industry does not come forward with the proper package, Mr. Saket said, "the government will change back."

ALAN MACKIE

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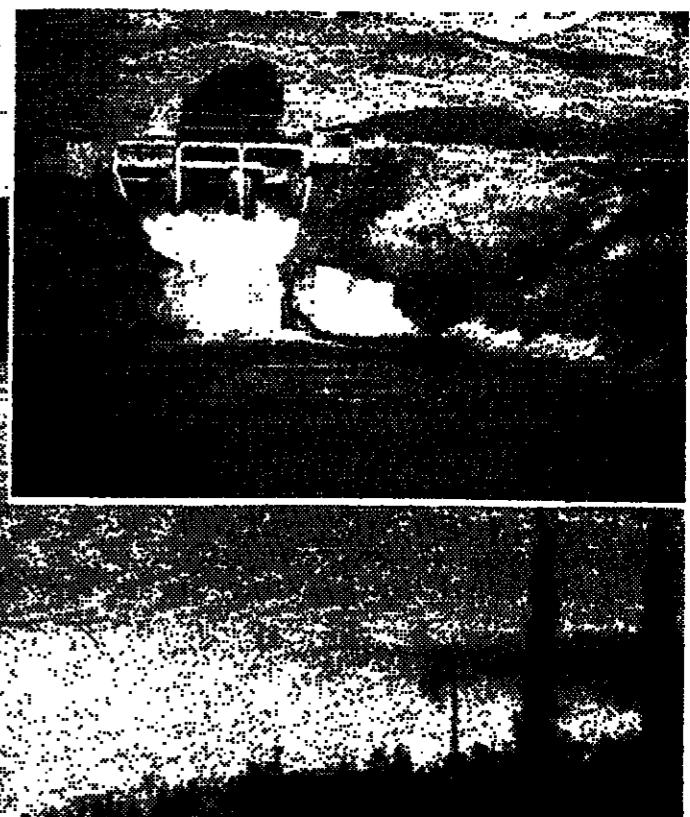
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Vegetables are grown in greenhouses in the Northern Jordan, above left. Waters behind the King Talal Dam, northern Jordan, right, and inset, the East Ghor Canal in the Jordan Valley.



The breeding problems of the Dead Sea potash plant have been largely overcome, and, once production crosses the high break-even point, it should make good profits; marketing is no problem.

Uplands Agriculture Is Given Priority in Planning as Food Import Bill Increases

By Sarah Graham-Brown

LONDON — Jordan's next five-year plan (1986-1990) is expected to make agriculture one of its major priorities, raising its share in total spending from the 7.1 percent allocated in the 1981-85 plan.

This is a measure of the government's concern at some of the long-term problems visible in the agricultural sector.

It is not so much that agriculture has been neglected, as that its de-

velopment has been lopsided. Substantial investment and foreign aid have gone into the development of the Jordan Valley irrigation project, but relatively little has been done to assist the rain-fed agriculture of the uplands.

At the end of the 1970s, in a report on the basic needs of rural communities in Jordan, Dr. Jafir Dajani, of Stanford University, wrote: "Although Jordan is mainly an agricultural country, the per-

centage of the population that is employed in agriculture is becoming smaller every day... In many cases, the reason behind this rural exodus is the smallness of the plots of land farmers cultivate and, thus, their inability to make a living off the land."

The drift of migrants to the urban areas has gone so far as to create labor shortages in agriculture.

Alarm at this seemingly unstop-

pable trend is combined with concern at the steadily rising food-import bill over the past few years: Jordan imports about two-thirds of its food.

Furthermore, in the 1983-84 season a severe drought reduced wheat production from a 10-year average of 62,000 tons a year to mere 10,000 tons.

In March this year, the Ministry of Agriculture announced new moves to encourage farmers in the

rain-fed areas, guaranteed prices, technical advice, and cheap seedlings for cereals, potatoes and onions.

Some critics may argue that this is too little too late, when already about half of Jordan's population lives in the Amman/Wadi Seer-

ments such as land reclamation and irrigation, farm buildings and purchases of livestock and equipment.

The cooperative development of rain-fed agriculture projects, costing \$28 million and jointly financed by the International Fund for Agricultural Development and

"lengthy procedures" involved in obtaining credit through the Jordan Cooperative.

In contrast, large-scale commercial farming has flourished, in the highlands as well as in the Jordan Valley, including production of vegetables and flowers under drip

final section of the canal, 14 kilometers (8.7 miles) between South Shounesh and the Dead Sea, the contract for which was awarded to Josef Reippl of West Germany last year.

With a loan of \$20 million from the Arab Fund for Social and Economic Development, the authority is converting the system of open channels in the central section of the valley to pipes, to allow for drip irrigation over a further 5,500 hectares (13,624 acres).

Despite the rapid development of high-technology farming, the valley is experiencing some problems, particularly in the realm of marketing.

Some recent seasons have seen gluts of vegetables, especially tomatoes, which have sent prices plummeting, causing serious problems for less affluent farmers.

The government has gone so far as to impose fines on overproducers, and for the longer term, efforts are made to introduce a wider range of crops and better methods of crop rotation.

It is hoped that the national research center on agricultural techniques being set up in the valley will be able to contribute to solutions to some of these difficulties, which arise from the use of high technology farming methods.

Peace Bid and U.S. Acceptance

(Continued From Page 10)

army to crush the PLO in the Jordanian capital, Amman, and then repel a Syrian invasion of the country's northern frontier. In the ensuing years, Jordan as well as Israel became a target for Palestinian extremists who formed the notorious Black September terrorist group.

In 1974, at an Arab summit meeting in Rabat, Morocco, the PLO won approval for a resolution that effectively terminated Jordan's claim to the West Bank and Arab Jerusalem. It declared the Palestinians had a right to a "homeland" and "self-determination," and designated the PLO as their "sole legitimate representative."

An evolving rapprochement between Jordan and the PLO became firmer in 1982. The Israeli invasion that drove the PLO out of Lebanon put the Palestinian issue back on Hussein's doorstep. For Mr. Arafat, the loss of his only military base left few options other than to join King

Hussein in a practical negotiating process.

With the stage set for a full political alliance, President Reagan's September 1, 1982, peace initiative served as a catalyst. It called on Israel to return the West Bank and Gaza Strip (captured from Egypt in 1967) where a self-governing Palestinian entity would be established in association with Jordan. Israel would be peace.

King Hussein and Mr. Arafat saw the opportunity to "save" the occupied territories from permanent Israeli control. There are estimated 42,600 Jewish residents in 114 settlements on the West Bank, and another 3,000 in the Gaza Strip, which has 500,000 Arabs.

Since 1982, King Hussein and Mr. Arafat have talked of an eventual confederation between Jordan and the Palestinians, although the PLO insists that such a union be postponed until after the establishment of a Palestinian state.

Their developing partnership was bolstered last November

when the king hosted the 17th session of the Palestine National Council, the PLO's "parliament." He strongly reaffirmed his recognition of the PLO as the representative of the four million Palestinians living inside and outside the occupied territories, and he pledged not to enter peace talks without PLO consent.

The Hussein-Arafat approach has been fraught with dangers and complications. Jordanian officials feel the biggest threat is that PLO hardliners and even some close Arafat associates will pressure the PLO chairman to abandon the partnership as an exercise in futility and capitulation.

Radical PLO factions forced Mr. Arafat to suspend dealings with King Hussein in April 1983 when the two leaders were close to an agreed approach concerning the Reagan peace initiative. These factions waged a Syrian-backed civil war against Arafat loyalists, costing more than 1,000 lives in eastern Lebanon and Tripoli.



Urbanization encroaches on vital agricultural terrain.

Jordan imports about two-thirds of its food. Furthermore, in the 1983-84 season a severe drought reduced wheat production from a 10-year average of 62,000 tons a year to a mere 10,000 tons.

the Jordanian government aims to raise farm income and increase production for some of Jordan's poorest farmers.

But there are several projects that aim to help small farmers, especially by providing access to credit.

For instance, the Ministry of Agriculture's Highland Development Project is providing assistance for farmers to develop or reclaim hill slopes for growing fruit and olive trees.

The European Investment Bank is channeling 6 million European Currency Units (\$4.36 million) through the Jordan Cooperative Organization and the Agricultural Credit Corp. for on-farm invest-

ment and plastic tunnels, and the development of intensive poultry and livestock farming.

The Jordan Valley Authority continues to develop the Valley's irrigated area, although the pace is slower than anticipated mainly due to the freeing of plans to build the Misqarin Dam on the Yarmouk River.

This was to serve as the main reservoir for the East Ghor Canal, which feeds irrigation projects in the valley.

This project has been stymied by the objections of Syria and Israel, which claim riparian rights to the Yarmouk waters.

However, the Jordan Valley Authority has gone ahead with the

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A SPECIAL REPORT ON JORDAN

**Amman: Busy Hub of Nation**

At left, a busy avenue in the capital and a traffic circle in a rapidly developing quarter of the city.

**Nation's Historic Role as Transshipment Route Continues With Modern Means**

AMMAN — The Pharaohs' armies used to cross Jordan to do battle with Mesopotamia.

The Assyrians, Babylonians, Persians, Greeks and Romans all passed through. Caravans from Yemen split up into two near the modern-day port of Aqaba, to head for Syria to the north and to the Nile Valley to the west.

Their modern equivalents are still on the move although trucks, container ships and Boeing jets have replaced camels and horses. And their loads are no longer the spices and cloths of the East.

They are more likely to be goods from the north — anything from sophisticated military equipment or Iraqi oil to fresh meat from Europe and Jordanian phosphates and potash for export.

"The story of transportation in Jordan is the story of civilization here," said Adnan Abu Odeh, a senior counselor to King Hussein and a former cabinet minister.

Over the last 10 years, Jordan has invested about 800 million dinars (\$2 billion) in transportation, just over 20 percent of its investment budget for that period.

Income from transportation rose by an average 29.6 percent annually from 1975 to 1980, according to Transport Ministry officials, bringing in 91 million dinars and making up 11.2 percent of the country's gross domestic product.

Since 1980, transit through Jordanian territory has risen sharply because the Gulf war that pits neighboring Iraq against Iran.

From the start of the war in September 1980, Jordan threw its support behind Iraq and Aqaba, on the Red Sea, became a major conduit of supplies for the Iraqi war effort as Iraqi ports became unusable because of damage or the danger of attack.

Transport Minister Farhi Obied said that 60 percent of imports currently passing through Aqaba were

destined for Iraq. He said that, in view of Jordan's decision to expand the port, Baghdad had promised to continue using its facilities once the Gulf war ends.

While Jordan's transport policy aims at improving and expanding all forms of surface transport, its national airline, Alia, provides perhaps the most prestigious example of the transport industry's growth.

The airline, whose fleet includes three Boeing 747s and nine Lockheed L-1011 Tristars, serves 40 destinations, from Los Angeles in the West to Singapore in the East.

Over the next five years, it plans to add Kuala Lumpur, Seoul, Tokyo, Rio de Janeiro and Abidjan to its international network. Alia's hub is the ultramodern, 2-year-old Queen Alia International Airport south of Amman.

On the domestic front, Alia plans to open up routes to new airports being built at Petra Irbid and in the Ghor Valley. These

routes, for which Alia plans to purchase small turboprop planes, are mainly aimed at the tourist market.

The airline is currently studying the European Airbus, the McDonnell Douglas MD-80 and the Boeing 757 and 767 as replacements for its Boeing 707s and 727s.

Alia made a steady profit for a decade until 1983 when it lost \$2 million at the prevailing rate of exchange. The chairman, Ali Ghadour, predicts that the 1984 figures will show another loss, but attributed this to the inauguration of routes to Singapore, Chicago and Los Angeles.

Jordan is also a partner with Iraq in Arab Air Cargo, a purely freight line set up in 1981, which currently operates two Boeing 707s and can draw on the resources of Iraqi Airways and Alia. In 1984, it flew 457 flights, carried 14,000 metric tons and brought in \$8.8 million in revenues.

On the ground, Jordan's biggest transport activity is trucking. Lines of heavy goods vehicles can be seen outside the capital, on the approaches to Aqaba and at the frontier crossings with Iraq and Syria.

The Jordanian government has set up two joint trucking ventures with its neighbors, the Iraqi-Jordanian Land Transport Co. and the Jordanian-Syrian Land Transport Co. They operate 750 and 366 trucks respectively.

Altogether, more than 8,000 trucks are registered in Jordan, a country where the population is estimated at 2.5 million.

Private owners complain that the

government favors public-sector trucking concerns at a time of economic downturn. They also blame government restrictions and a cut in government-controlled freight charges, from 13.5 to 11 dinars per metric ton, for poor profitability.

Government regulations now stipulate that trucks can carry a maximum of 35 tons, compared with a previous ceiling of 60 tons. The tonnage was cut to reduce damage to roads.

Much truck traffic comes from Europe, Turkey and Syria, often heading for Gulf countries such as Kuwait and Saudi Arabia. Transport Ministry officials said that, while Jordan's political ties with Syria are strained, this has had little impact on cross-border trade.

Jordan's most famous railroad is

the Hijaz Line. The target of many acts of sabotage, the track featured in "Seven Pillars of Wisdom" by T.E. Lawrence, Lawrence of Arabia, account of the 1916 Arab revolt against Turkish Ottoman rule.

Part of the trucking industry

is the Hijaz Line, originally built by Turkey through Syria and Jordan to Saudi Arabia to carry Moslem pilgrims to Saudi Arabia's holy shrines of Mecca and Medina.

The Hijaz Line was originally

built by Turkey through Syria and

Jordan to Saudi Arabia to carry

Moslem pilgrims to Saudi Arabia's

holy shrines of Mecca and Medina.

Alia Airport. The government has earmarked work costing 107 million dinars to upgrade the country's road system by 1990.

In addition, the Public Works

Ministry estimates that it needs 20

million dinars annually just for

highway maintenance but com-

plained this year that it only

had a 4-million-dinar allocation.

Another sector where Transport

Ministry officials say they would

welcome more development in rail-

roads.

Jordan's most famous railroad is

the Hijaz Line. The target of many

acts of sabotage, the track featured

in "Seven Pillars of Wisdom" by

T.E. Lawrence, Lawrence of Ara-

bia, account of the 1916 Arab

revolt against Turkish Ottoman

rule.

Perhaps Jordan's proudest trans-

port achievement of recent months

— at least on political grounds —

has been the establishment of a

ferry link from Aqaba to Nuweiba

across the Gulf of Aqaba on

Egypt's Sinai coast.

The service was inaugurated on April 25, the third anniversary of Israel's return of Sinai to Egypt, by King Hussein, President Hosni Mubarak of Egypt and Sultan Qaboos of Oman.

Currently, two ships ply the three-hour crossing daily and can take trucks, buses and cars.

The service provides a passage

past Israeli territory — off limits to traffic from all Arab countries except Egypt. Jordanian officials said

they expected one early commercial use would be the export of Iraqi cement to Egypt, carried by trucks using the ferry.

For the ordinary Jordanian or Egyptian, the new link provides a cheap route between Amman and Cairo. Buses leave both capitals every day to link up with the ferry. The total journey takes about 13 hours and costs 19 dinars per passenger, compared with the economy air fare of 54 dinars one way.

— JULIAN NUNDY

United States Shifting Its Role in Bid for Peace in Region

(Continued From Page 10)
conference to deal with the Middle East, even though Washington at one time strongly favored it.

Thus, the question quickly became one of whether a joint Palestinian-Jordanian delegation could be put together that would not include PLO members but that at the same time had Palestinians in the group who were recognized as being leaders in the Palestinian community. Theoretically, if the PLO met the American conditions, that would make it possible for Washington to meet with a delegation that included PLO members. But

the Israelis would not negotiate with such a group because of their refusal to deal with the PLO under any circumstances.

Mr. Shultz, in his meeting with King Hussein on May 12 and 13 sought to make it clear that it was important for him and Mr. Arafat to propose Palestinians who could deal with Palestinian issues and be acceptable to the United States and — ultimately — Israel.

The complicated questions of peace negotiations has also spilled over into direct Jordanian-American relations. For years, the Jordanians have been trying to modernize

their forces to protect themselves against possible Syrian attack and also to aid Gulf states in trouble from Islamic extremists.

The United States has been willing to help, but the Congress, under strong pressure from Israeli supporters, has been adamant against any sales of advanced equipment such as F-16 fighters or new anti-aircraft missiles until Jordan agrees to negotiate directly with Israel.

Majorities in both the House and Senate have passed resolutions against arms sales to Jordan until peace talks begin, and that in effect, has tied the administration's hands.

Altogether, more than 8,000 trucks are registered in Jordan, a country where the population is estimated at 2.5 million.

Private owners complain that the

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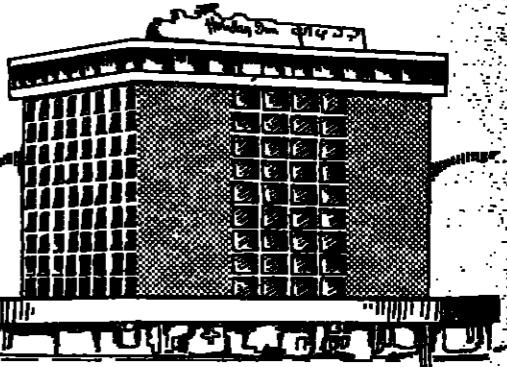
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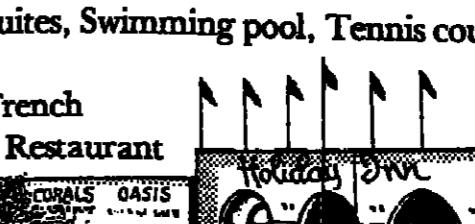
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JULY 1985

BUSINESS/FINANCE

ECONOMIC SCENE

U.S. Budget-Cutters Set Down to Business

By LEONARD SILK

International Herald Tribune

NEW YORK — With the passage Thursday by the House of Representatives of a budget resolution, the struggle over budget cutting, the most important issue facing the U.S. and international economies, is coming to a head.

In the weeks ahead, an effort will be made to produce a compromise between the House resolution, which calls for the reduction of the deficit by \$259.1 billion over the next three years, and the Senate budget plan already adopted under the leadership of Senator Robert J. Dole of Kansas, the Republican majority leader, with President Ronald Reagan's backing.

The two plans differ in the total cuts they are proposing and, more significantly, in their composition. The House plan calls for steeper cuts in the rate of increase of military appropriations. The Senate would freeze real outlays for one year, allowing military spending to rise to cover inflation; the House would freeze nominal outlays in the first year, thereby budgeting for a real decline in military appropriations.

The Senate plan calls for a one-year freeze in the Social Security cost-of-living adjustment, while the House does not. Such pensioners' benefits.

The two plans also differ in their treatment of a great many other programs, with the Democrats seeking to protect or increase benefits for low-income groups and the Republicans aiming at cutting a greater number of social programs.

A major question about both resolutions is how much they really would cut the deficit.

The House resolution is supposed to mean a three-year cut of \$259.1 billion, based on the same assumptions made by the Senate and the administration's Office of Management and Budget. Of that total cut in the deficit, \$6.25 billion would come from the revenue side, especially to pay for the Superfund to clean up industrial wastes.

THE biggest deficit cuts in the House resolution are in the military area, accounting for more than half the total.

Reductions from the originally planned administration military buildup were estimated at \$27.5 billion in 1986, \$45.15 billion in 1987 and \$64.6 billion in 1988, for a three-year total of \$137.5 billion, considerably more than the Senate proposes to cut from the military.

The Senate, on the other hand, would suspend the cost-of-living adjustment during 1986, thereby saving about \$27 billion over three years.

The Senate leadership asserts that its plan would cut the three-year deficit total by "nearly \$300 billion," as compared with the House total of about \$250 billion. But how much will the cuts of either the Senate or House resolutions really amount to?

Both Houses used as their starting point the administration's base-line projections that, if no cuts were made, the deficits would total \$229 billion in 1986, \$245 billion in 1987 and \$244 billion in 1988.

If the budget cuts just voted by the House are made, the deficits for the next three years would, on the administration's economic assumptions, come down to \$173 billion in 1986, \$163 billion in 1987 and \$124 billion in 1988.

But the Congressional Budget Office, using less optimistic economic assumptions and what it considers more realistic assumptions about military outlays, estimates that the deficits for the next three years would amount to \$189 billion, \$176 billion and \$172 billion, respectively.

Is this enough of a reduction? The answer depends chiefly on the relation of the planned deficits to the gross national product.

(Continued on Page 17, Col. 1)

Currency Rates

		May 24							
		D.M.	F.F.	G.D.	G.M.	S.F.	S.G.	Yen	Z.L.
Amsterdam	5.48	4.371	76.44	20.33	4.064	1.1588	12.825	123.00	324.24
Brisbane (a)	61.975	—	—	—	—	—	—	—	—
Buenos Aires	3.065	3.396	—	—	—	—	—	—	—
London (b)	1.295	—	—	—	—	—	—	—	—
Milan	1.295	—	—	—	—	—	—	—	—
New York (c)	1.295	—	—	—	—	—	—	—	—
Paris	9.425	11.824	—	—	—	—	—	—	—
Tokyo	251.425	379.62	63.77	26.80	12.93	7.48	46.47	97.42	—
Vienna	3.795	3.882	—	—	—	—	—	—	—
Winnipeg	8.725	—	—	—	—	—	—	—	—
Yokohama	1.295	—	—	—	—	—	—	—	—
Zurich	1.295	—	—	—	—	—	—	—	—
London and Zurich, Dollars in London and Zurich. Dollars in other European centers, New York rates of 1 p.m. (a) Commercial franc (b) American needed to buy one franc (c) Amounts needed to buy one franc. *per cent. ** per cent. Source: Banque de Bélgica (Brussels); Banca Commerciale Italiana (Milan); Banque Monte de Paris (Paris); IMF (SDR); BAI (Austria, Israel, Jordan). Other data from Reuters and Telerate.									

		May 24							
		Dollar	Euro	French	DM	Swiss	Yen	SDR	Other
Austria	5.48	4.371	76.44	20.33	4.064	1.1588	12.825	123.00	324.24
Austria (a)	56.00	—	—	—	—	—	—	—	—
Austria (b)	1.278	—	—	—	—	—	—	—	—
Austria (c)	1.295	—	—	—	—	—	—	—	—
Austria (d)	1.295	—	—	—	—	—	—	—	—
Austria (e)	1.295	—	—	—	—	—	—	—	—
Austria (f)	1.295	—	—	—	—	—	—	—	—
Austria (g)	1.295	—	—	—	—	—	—	—	—
Austria (h)	1.295	—	—	—	—	—	—	—	—
Austria (i)	1.295	—	—	—	—	—	—	—	—
Austria (j)	1.295	—	—	—	—	—	—	—	—
Austria (k)	1.295	—	—	—	—	—	—	—	—
Austria (l)	1.295	—	—	—	—	—	—	—	—
Austria (m)	1.295	—	—	—	—	—	—	—	—
Austria (n)	1.295	—	—	—	—	—	—	—	—
Austria (o)	1.295	—	—	—	—	—	—	—	—
Austria (p)	1.295	—	—	—	—	—	—	—	—
Austria (q)	1.295	—	—	—	—	—	—	—	—
Austria (r)	1.295	—	—	—	—	—	—	—	—
Austria (s)	1.295	—	—	—	—	—	—	—	—
Austria (t)	1.295	—	—	—	—	—	—	—	—
Austria (u)	1.295	—	—	—	—	—	—	—	—
Austria (v)	1.295	—	—	—	—	—	—	—	—
Austria (w)	1.295	—	—	—	—	—	—	—	—
Austria (x)	1.295	—	—	—	—	—	—	—	—
Austria (y)	1.295	—	—	—	—	—	—	—	—
Austria (z)	1.295	—	—	—	—	—	—	—	—
Austria (aa)	1.295	—	—	—	—	—	—	—	—
Austria (bb)	1.295	—	—	—	—	—	—	—	—
Austria (cc)	1.295	—	—	—	—	—	—	—	—
Austria (dd)	1.295	—	—	—	—	—	—	—	—
Austria (ee)	1.295	—	—	—	—	—	—	—	—
Austria (ff)	1.295	—	—	—	—	—	—	—	—
Austria (gg)	1.295	—	—	—	—	—	—	—	—
Austria (hh)	1.295	—	—	—	—	—	—	—	—
Austria (ii)	1.295	—	—	—	—	—	—	—	—
Austria (jj)	1.295	—	—	—	—	—	—	—	—
Austria (kk)	1.295	—	—	—	—	—	—	—	—
Austria (ll)	1.295	—	—	—	—	—	—	—	—
Austria (mm)	1.295	—	—	—	—	—	—	—	—
Austria (nn)	1.295	—	—	—	—	—	—	—	—
Austria (oo)	1.295	—	—	—	—	—	—	—	—
Austria (pp)	1.295	—	—	—	—	—	—	—	—
Austria (qq)	1.295	—	—	—	—	—	—	—	—
Austria (rr)	1.295	—	—	—	—	—	—	—	—
Austria (ss)	1.295	—	—	—	—	—	—	—	—
Austria (tt)	1.295	—	—	—	—	—	—	—	—
Austria (uu)	1.295	—	—	—	—	—	—	—	—
Austria (vv)	1.295	—	—	—	—	—	—	—	—
Austria (ww)	1.295	—	—	—	—	—	—	—	—
Austria (xx)	1.295	—	—	—	—	—	—	—	—
Austria (yy)	1.295	—	—	—	—	—	—	—	—
Austria (zz)	1.295	—	—	—	—	—	—	—	—
Austria (aa)	1.295	—	—	—	—	—	—	—	—
Austria (bb)	1.295	—	—</td						

**Friday's
AMEX
Closing**

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere

B											
4%	2%	BAT In	.13e	32	6	703	41e	41e	41e	—	1e
4%	2%	BDM	.79	5	24	47	479e	47	+ 1e	—	1e
3%	1%	BRT	7	6	29	21e	21e	21e	—	1e	
16%	10%	BSD w/	22	29	119e	119e	119e	119e	—	1e	
7%	7%	Boker	31	91e	91e	91e	91e	91e	91e	—	1e
7%	7%	Boldewi	22a	34	17	31e	31e	31e	31e	—	1e
8%	2%	Bomber w/	20	59	64e	64e	64e	64e	+ 1e	1e	
9%	9%	Bonk/Bld	40	54	16	18	71e	71e	71e	71e	—
4%	3%	Borco	2	2	4	4	4	4	4	4	
4%	4%	BornEn	20	29	7	31e	31e	31e	31e	—	1e
10%	7%	Bosni	20	27	2	71e	71e	71e	71e	—	1e
7%	4%	BerryRG	34	27	21	3	6	56	56	56	—
13%	10%	Bertrach	40	22	12	12	12	12	12	12	
22%	11%	Berg	180	150	11	12	12	12	12	12	
20%	19%	BergBr	22	11	17	503	275e	275e	275e	+ 1e	1e
20%	21%	BicCP	72	28	13	12	254e	25	25	+ 1e	1e
11%	9%	BilCP	40	31	24	13	129e	129e	129e	+ 1e	1e
24	19%	BilmHd	132	44	11	7	214e	214e	214e	+ 1e	1e
24%	14%	Bilar B	21	21	7	214e	214e	214e	+ 1e	1e	
24%	14%	Bilar A	21	21	14	214e	214e	214e	+ 1e	1e	
37%	37%	Bilard	90	25	9	10	367e	367e	367e	+ 1e	1e
21%	21%	BilardE	32	29	10	12	12	12	12	12	
19%	17%	Bilomat	45	29	8	161	158e	158e	158e	+ 1e	1e
19%	12%	BilomatB	49	24	17	152e	152e	152e	+ 1e	1e	
45%	42%	BilardP	25	1	30	159	362e	362e	362e	+ 1e	1e
19%	11%	BilomatV	38	15	12	15	124e	124e	124e	+ 1e	1e
4%	2%	BilomatW	20	27	4	476	476	476	+ 1e	1e	
19%	19%	BilomatZ	44	28	16	114	141e	141e	141e	+ 1e	1e
27%	11%	Bilomat	140	4	21	214e	214e	214e	+ 1e	1e	
11%	11%	BilomatS	55	28	10	319e	319e	319e	+ 1e	1e	
32%	22%	BilomatT	58	33	11	324e	324e	324e	+ 1e	1e	
4%	3%	BilomatR	45	10	4	4	4	4	4	4	
13%	14%	BilomatF	40	21	6	25	279e	279e	279e	+ 1e	1e
C											
27%	11%	CDI S	9	22	20%	197e	197e	197e	+ 1e	1e	
9%	5%	CMi Co	17	41	91e	91e	91e	91e	+ 1e	1e	
4%	2%	CMX Cr	13	13	29e	21e	21e	21e	+ 1e	1e	
19%	13%	CRS	34	18	15	16	189e	189e	189e	+ 1e	1e
8%	9%	CrossNJ	94	64	44	124e	124e	124e	+ 1e	1e	
4%	4%	CosigA	5	6	54	56e	56e	56e	+ 1e	1e	
14%	14%	Cotir	1.28	9.5	1.2	54	134e	134e	134e	+ 1e	1e
6%	3%	Cotirn	.40	24	22	269	254e	254e	254e	+ 1e	1e
15%	15%	Cotirn w/	45	21	22	51	51e	51e	51e	+ 1e	1e
10%	7%	Cotop	.80	10.0	5	22	5%	5%	5%	+ 1e	1e
18%	9%	Cotop	.32	1.8	12	38	18	18	18	+ 1e	1e
34%	13%	Compan	.30	26	22	214e	214e	214e	+ 1e	1e	
22%	12%	CMarc s	.30	26	14	135e	135e	135e	+ 1e	1e	
23%	18%	ComDoc	.44	9	20	228e	228e	228e	+ 1e	1e	
25%	25%	CWine	.44	45	91e	91e	91e	91e	+ 1e	1e	
13%	4%	Cordif	.45	144	144	144	144	144	144	+ 1e	1e
4%	1%	Cordil	.74	208	17	5	129e	129e	129e	+ 1e	1e
13%	7%	Cordil	.10	8	17	4	126e	126e	126e	+ 1e	1e
11%	5%	ComEn	.10	17	25	215e	193e	193e	+ 1e	1e	
4%	3%	ComPr pf	5.00	11.6	9	632	446e	446e	446e	+ 1e	1e
5%	3%	Cooskin	.44	151	151	15	476e	476e	476e	+ 1e	1e
22%	15%	Costia	.80	27	10	19	217e	217e	217e	+ 1e	1e
25%	25%	Costia	2.20	7.0	3	321e	321e	321e	+ 1e	1e	
3%	3%	Costinhd	.45	6	116	116	116	116	+ 1e	1e	
26%	26%	Content	.35	33	2	20	254e	254e	254e	+ 1e	1e
14%	9%	Content pr	1.50	12.5	9	121e	121e	121e	+ 1e	1e	
9%	6%	Content	1.60	12.3	9	516	516	516	+ 1e	1e	
4%	4%	Champ	.22	3.1	8	475	254e	254e	254e	+ 1e	1e
17%	12%	ChampC	.72	5.1	14	46	145e	145e	145e	+ 1e	1e
27%	15%	ChamPA	.15	4	19	26	255e	255e	255e	+ 1e	1e
22%	15%	ChamPA s	1.50	11.5	8	2	278e	278e	278e	+ 1e	1e
21%	14%	ChiCrv	1.20	6.2	10	4	191e	191e	191e	+ 1e	1e
8%	8%	ChiCrv s	.17	7	23	12	246e	246e	246e	+ 1e	1e
10%	11%	Chidlin	.17	2	32	306	295e	295e	295e	+ 1e	1e
27%	14%	ChfGt	1.00	3.7	8	16	254e	254e	254e	+ 1e	1e
17%	17%	ChiGt	1.20	5.1	11	5	204e	204e	204e	+ 1e	1e
42%	35%	Clarmt	1.95	5.0	16	25	39	39e	39e	39e	+ 1e
12%	6%	Clark	2.25	27	10	2	104e	104e	104e	+ 1e	1e
D											
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0	2	10	10	10	10	10	
10%	5%	Clawed n	1.00	2.0	2	10	10	10	10	10	
4%	2%	Clawed n	1.00	2.0							

Over-the-Counter

May 24

NASDAQ National Market Price

Currency Options

May 24

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

- a — dividend also extra(s)./*i*
- b — annual rate of dividend plus stock dividend./*i*
- c — liquidating dividend./*i*
- cd — called./*i*
- d — new yearly low./*i*
- e — dividend declared or paid in preceding 12 months./*i*
- f — dividend in Canadian funds, subject to 15% non-residence tax.
- g — dividend declared after split-up or stock dividend.
- h — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
- k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
- n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
- nd — next day delivery.
- P/E — price-earnings ratio.
- r — dividend declared or paid in preceding 12 months, plus stock dividend.
- s — stock split. Dividend begins with date of split.
- sts — sales.
- t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
- u — new yearly high.
- v — trading halted.
- vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
- wd — when distributed.
- wi — when issued.
- ww — with warrants.
- x — ex-dividend or ex-rights.
- xis — ex-distribution.
- xw — without warrants.
- y — ex-dividend and sales in full.
- yid — yield.
- z — sales in full.

**FOR THE LATEST WORD ON
EUROBONDS
READ CARL GEWIRTZ
EACH MONDAY IN THE IHT**

The image shows the front cover of a book titled "Over-the-Counter" by Dr. John C. Lattimer, M.D. The cover is white with black text. At the top, "Over-the-Counter" is written in a large, bold, serif font. Below it, "by Dr. John C. Lattimer, M.D." is written in a smaller, regular serif font. At the bottom, there is some very small, illegible text.

7. Hough (B) c
L-Ouren, a-2
L-
128
Oller (M), Lovet
P&G BlackTiger
Hal Waddell, r-1
Bob Utz, W-
Coughlin, TH, N
201
461
Reardon (J), Cle
A. Hutton, Rose
James, 2-3 L-C
11
14
Wynneour, B.
May (7), W-
Sue-Bess, 111
G. Berliner 2-181
(1),

AMERICAN LEAGUE DIVISION

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(Continued on Page 19)

ART BUCHWALD

That Will Teach 'em

WASHINGTON — As part of the Justice Department's unending war against corporate crime, a new facility has just been built to deal with serious offenders.

I was taken on a tour by an assistant attorney general for corporate crime, who was quite proud of the place.

He took me into the receiving area, which turned out to be a beautifully furnished lobby with leather chairs and couches and a TV set.

"This is where we ask the defendants to wait while we are negotiating a plea bargaining session with their lawyers."

"It's nice of you to provide a waiting room for them."

"Just because a man has committed a corporate crime is no reason why he can't be comfortable."

"How long do you keep him in the pen?"

"It depends. If the guy wants to plead guilty and go along with the Justice Department's recommendations on punishment, we'll let him out in a couple of hours. But if he's going to play hardball and try to get off lightly, we'll keep him in here until he misses his business lunch."

"I had heard your corporate criminal division was tough, but I never thought you'd make someone miss a business lunch."

'World's Strongest Beer'
Is Brewed by Briton

United Press International

LONDON — A British pub owner claims that in 3½ years of experimenting he has produced the world's strongest beer — about one quarter the strength of whiskey.

Roger Nowill, owner of the Frog and Parrot pub in the northern city of Sheffield, said Thursday that his concoction, which he calls "Roger and Out," is so strong he will sell it only by the half pint and limit his customers to three glasses. "I did it as a service to my customers, who like good strong beer at a sensible price," he said.

ANNOUNCEMENTS

All the leather chairs were taken.

"Is that man in the pin-striped suit over there a white-collar criminal?"

"No," he replied. "That's his lawyer. The other fellow in a pin-striped suit is the criminal. The toughest thing about prosecuting corporate crime is you can't tell the defendants from the lawyers."

My guide pointed over to a large sign on the wall. "That's our rate card for each white-collar crime. We put it up there so the defendants can study it while waiting to see a Justice Department attorney."

"The rates seem very reasonable," I said.

"We try to keep them low so we don't have to go to trial," he said. "It's to our advantage to settle out of court and save the taxpayer money."

"What did that guy reading The Wall Street Journal over there do?"

"He's a contractor and he have 540 counts against him for overcharging the Defense Department \$10 million for missile parts."

"He doesn't seem very worried."

"He better be. We're going to fine his company \$5,000."

"Will he pay it?"

"He will if he doesn't want a long, drawn-out trial with a lot of publicity. We don't fool around here."

"Okay, so let's say he agrees to pay the \$5,000. Then what happens?"

My guide led me into a quiet carpeted room. "After the defendant agrees to plead guilty and pay his fine we bring him in here and make him swear on this Bible that he will do it again."

"Do what again?"

"Commit a corporate crime."

"And that's it?"

"Not by a long shot," he said. "Over here is where the real punishment is meted out. You see this wooden block? Well, every person who pleads guilty has to put his hand on the block. Then the attorney general or one of the assistants slaps him on the wrist."

"Is it painful?"

"Put your hand up here and find out for yourself."

I did and he slapped my wrist as hard as he could. "Did it hurt?" he asked me.

I thought about it for a moment and then said, "Ouch."

MOVING**ALLIED****VAN LINES INT'L****PARIS****FRANKFURT****LONDON****MUNICH****BRUSSELS****SPAIN****MALLORCA'S NEW SUPER PORT****REAL ESTATE FOR SALE****REAL ESTATE FOR RENT/SHARE****REAL ESTATE TO RENT/SHARE**</div